

Before the
Federal Communications Commission
Washington, D.C. 20554

MM Docket No. 90-375

In re Applications of

FOX TELEVISION File No. BRCT-880801LW
STATIONS, INC.

For Renewal of License of
Station KTTV(TV)
Los Angeles, California

and

RAINBOW File No. BPCT-881101KH
BROADCASTING, INC.

For Construction Permit for a New
Commercial Television Station
in Los Angeles, California

Appearances

William S. Reyner, Richard S. Rodin, Mace J. Rosenstein, on behalf of Fox Television Stations Inc.; Robert Lewis Thompson, Ellen S. Mandell, Howard J. Barr, on behalf of Rainbow Broadcasting, Inc.; and Norman Goldstein, on behalf of the Chief, Mass Media Bureau.

**INITIAL DECISION OF ADMINISTRATIVE
LAW JUDGE JOSEPH CHACHKIN**

Issued: June 2, 1992;

Released: June 19, 1992

PRELIMINARY STATEMENT

1. By *Hearing Designation Order*, 5 FCC Rcd 5255 (HDO), released August 22, 1990, the Chief, Video Services Division, designated for hearing the application of Fox Television Stations Inc. (Fox) for renewal of license of Station KTTV(TV), Los Angeles, California and the mutually exclusively application of Rainbow Broadcasting, Inc. (Rainbow) for construction permit for a new commercial television station to operate on the channel now utilized by KTTV(TV). The HDO specified the following issues:

1. To determine with respect to the bank commitment letter of Bank of America to Rainbow Broadcasting.

a. the terms and conditions with respect to rate of interest and collateral, if any, for the proposed loans;

b. the duration and terms and conditions for repayment of the loan;

c. whether, in light of the evidence adduced pursuant to a and b above, the bank letter establishes a present firm intent to lend the necessary funds for construction;

d. whether, in light of all the evidence adduced above, the applicant is financially qualified.

2. To determine with respect to Rainbow Broadcasting, Inc., whether there is a reasonable possibility that the tower height and location proposed by it would constitute a hazard to air navigation.

3. To determine which of the proposals would, on a comparative basis, better serve the public interest.

4. To determine in light of the evidence adduced pursuant to the foregoing issues, which of the applications should be granted.

For purposes of determining Fox's entitlement to a renewal expectancy under the standard comparative issue, the Presiding Judge ruled that the relevant time period was March 6, 1986, when Fox became the licensee through November 30, 1988, the end of the license term. (Tr. 30, 33).

2. Prior to the hearing, Rainbow moved for summary decision of the air hazard issue specified against it. The motion was granted by *Memorandum Opinion and Order*, FCC 90M-3246, released October 16, 1990.

3. By *Order*, FCC 91M-1129, released March 16, 1991, the Presiding Judge designated the following issue against Rainbow:

To determine whether Rainbow Broadcasting, Inc. is financially qualified.

4. In specifying this issue the Presiding Judge noted that it is contingent on resolution of the financial issue specified in the HDO which requires a determination as to whether Rainbow was financially qualified at the time it certified. The burden of proceeding and the burden of proof on this issue was placed upon Rainbow.

5. The Presiding Judge denied motions to enlarge the issues filed on September 26, 1990, by Rainbow against Fox and Fox against Rainbow, by *Memoranda Opinions and Orders*, FCC 90M-3815, released December 4, 1990, and FCC 90M-4043, released December 21, 1990. A subsequent motion to enlarge issues filed by Fox against Rainbow on January 3, 1991, was dismissed by *Memorandum Opinion and Order*, FCC 91M-543, released February 11, 1991.

6. Prehearing conferences were held on October 26, 1990, and January 22, 1991, an admissions session on March 25, 1991, and hearing sessions on April 9-12, and May 10, 1991 in Washington, D.C. Additional hearing sessions were held on May 14-15, 1991 in Los Angeles, California. The record was closed on May 15, 1991. (Tr. 1518). Proposed findings of fact and conclusions of law were filed July 22, 1991; replies were filed August 19, 1991.

Findings Of Fact

Fox Television Stations Inc.

Description of the Applicant

7. Fox Television Stations Inc. (Fox) is a wholly-owned subsidiary of Twentieth Holdings Corporation (THC). The single majority voting stockholder of THC is Mr. K. Rupert Murdock, who holds 51 percent of the voting rights. Mr. Barry Diller holds 25 percent of the voting rights. Fox, Inc., holds 24 percent of the voting rights (Fox Ex. 1, pp. 1-2).

8. The officers and directors of Fox are as follows:

Name	Position
K. Rupert Murdock	Director
Barry Diller	Director/Chairman
Richard A. Sarazen	Director
Chase Carey	Senior Vice President
Dean Ferris	Senior Vice President
David Y. Handelman	Senior Vice President/ Secretary
John P. Meehan	Senior Vice President
Andrew G. Setos	Senior Vice President
Gerry Friedman	Vice President
Muriel Reis	Vice President
Earl J. Hammond	Vice President
Molly Pauker	Vice President
Michael M. Doodan	Assistant Secretary
Bonnie Bogin	Assistant Secretary
William Lockard	Assistant Secretary
David E. Miller	Assistant Treasurer

(Fox Ex. 1, p. 2).

9. The officers and directors of THC are as follows:

Name	Position
K. Rupert Murdock	Director
Barry Diller	Director/Chairman
Richard A. Sarazen	Director
Chase Carey	Senior Vice President
David Y. Handelman	Senior Vice President/ Secretary
John P. Meehan	Senior Vice President
Earl J. Hammond	Vice President
Michael M. Doodan	Assistant Secretary
David E. Miller	Assistant Treasurer

(Fox Ex. 1, pp. 2-3).

10. Fox acquired Television Station KTTV(TV), Channel 11, Los Angeles, California (KTTV), from Metromedia Radio & Television, Inc., on March 6, 1986 (Fox Ex. 1, p. 1).

Diversification

11. As part of the same transaction in which it acquired KTTV, Fox also acquired the following five television stations: WNYW-TV, New York, New York; KDAF-TV, Dallas, Texas; KRIV-TV, Houston, Texas; WTTG(TV), Washington, D.C.; and WFLD-TV, Chicago, Illinois. On April 18, 1990, Fox acquired KSTU(TV), Salt Lake City, Utah, from MWT Corp (Fox Ex. 1, p. 1).

12. On December 31, 1986, Fox's parent company, THC, acquired all the shares of WXNE-TV, Inc. (now WFXT, Inc.), the licensee of WXNE-TV (now WFXT(TV)),

Boston, Massachusetts. The assets of WFXT, Inc. (including the FCC licenses) were assigned to Boston Celtics Broadcasting Limited Partnership (BCBLP) on May 11, 1990. As consideration for the sale of the assets, WFXT, Inc., received and continues to hold a debenture which, under certain circumstances, may be converted into partnership interests of BCBLP (Fox Ex. 1, p. 1).

13. The following daily newspapers are published by corporations in which certain officers and directors of Fox and THC have attributable interests: *The Boston Herald*, Boston, Massachusetts, and *San Antonio Express-News*, San Antonio, Texas. Other than the foregoing, Fox, and THC and its attributable principals, have no attributable media interests (Fox Ex. 1, p. 3).¹

Integration

14. Fox does not claim any credit for the integration of ownership into management of KTTV (Integration and Diversification Statement of Fox Television Stations Inc., dated November 9, 1990, at 3).

Fox's Past Performance Record -- Renewal Expectancy

Renewal Period

15. The relevant period on which to evaluate Fox's performance as licensee of KTTV begins on March 6, 1986 (the date Fox acquired KTTV from Metromedia), and ends on November 30, 1988 (referred to herein as the "license term" or "renewal period") (Tr. 33). See 47 C.F.R. § 73.1020(a)(14)(ii).

The Los Angeles Television Market

16. During the renewal period, Los Angeles was ranked by Arbitron as the second largest television market in the United States. Its over 4 million television households were served in 1988 by at least 17 commercial television stations and five non-commercial television stations. During the renewal period, each of the three major television networks owned and operated a VHF television station licensed to Los Angeles. Four independent VHF stations, including KTTV, also were licensed to Los Angeles (Fox Ex. 1, pp. 3-4).

Ascertainment

17. KTTV made a continuous effort during the renewal period to ascertain the needs, interests and concerns of the Los Angeles community and the station's five-county southern California service area. To this end, KTTV managers and department heads were assigned to interview community leaders representing a broad cross section of the viewing area. Seventeen managers and department heads participated in the station's ascertainment efforts during the renewal period (Fox Ex. 2, p. 1).

18. Although not required by the Commission's Rules to do so, see *Commercial TV Stations*, 98 FCC 2d 1076, 1098-1101 (1984), during the renewal period KTTV conducted formal ascertainment of the needs, interests and concerns of the viewers in its service area. KTTV relied principally on three ascertainment methodologies: (1) KTTV representatives conducted in-person interviews with community leaders; (2) community leaders were invited to

attend group discussions of community concerns with representatives of KTTV management (some of the group ascertainment discussions were sponsored by KTTV alone; others were joint efforts by KTTV and other Los Angeles television stations); and (3) ascertainment interviews were conducted by telephone when circumstances prevented an in-person meeting (Fox Ex. 2, p. 1).

19. Employing these methods, KTTV conducted a total of 269 formal ascertainment interviews with community leaders during the renewal period. Of these, 150 (56 percent) were conducted by means of group discussions; 87 (32 percent) were one-on-one interviews; and 32 (12 percent) were telephone interviews (Fox Ex. 2, pp. 1-2).

20. In both the individual interview and group discussion settings, community leaders were asked to reflect on the problems and needs of the community in general, and to specify the single most serious problem that they believed confronted the community. Ascertainees also were invited to comment on county, statewide, and national problems and concerns, and to offer suggestions as to how KTTV might better serve its constituent communities. The remarks and views of each community leader were recorded on a KTTV Community Leader Interview Report (Fox Ex. 2, p. 2).

21. KTTV supplemented its formal ascertainment program through interviews with guests on its regularly scheduled public affairs and news programs, and through informal contacts with community leaders by the station's Public Affairs Director, who attended community functions throughout the station's service area. These included community center openings, professional organization meetings, cultural events, fundraisers, awards presentations, special interest group meetings, and media public service seminars and meetings. The Public Affairs Director also participated as a guest speaker and moderator at community events. The Public Affairs Director submitted written reports to the Program Director of her attendance at and participation in community events (Fox Ex. 2, p. 2).

22. The community leaders interviewed by KTTV during the renewal period included representatives of minority and women's group, community organizations, educational institutions including the public schools, religious organizations, the arts, local, state and federal governments, and the private business sector. In all, KTTV's 269 formal ascertainments included interviews with community leaders in each of twenty-one individual categories, as follows:²

Community Category	Number of Community Leaders
1. Agriculture	4
2. Business	23
3. Charities	14
4. Civic/Neighborhood	13
5. Consumer Services	3
6. Culture	7
7. Education	25
8. Elderly	5
9. Environment	17
10. Gay	1
11. Government	1
12. Handicapped	39
13. Labor	6
14. Military	24
15. Minority/Ethnic	24
16. Professions	6
17. Public Safety/Health	33
18. Recreation	9

19. Religion	7
20. Youth/Students	16
21. Women	3

(Fox Ex. 2, p. 3).

23. In addition, KTTV's ascertainments were conducted to ensure racial, ethnic, culture and geographic diversity, in rough proportion to the total population distribution in the station's service area. Thus, for example, minorities accounted for the following approximate percentages of total ascertainments during the renewal period:

Hispanic:	35 percent
Black:	15 percent
Asian:	5 percent
Indian:	1 percent

(Fox Ex. 2, p. 4).

24. The geographic distribution of ascertainment interviews throughout KTTV's five county service area was as follows:

Los Angeles:	53 percent
Orange:	26 percent
San Bernardino:	16 percent
Riverside:	3 percent
Ventura:	1 percent

(Fox Ex. 2, p. 4).

25. The numerous concerns identified by KTTV's ascertainment interviews were incorporated into the station's program planning process on an ongoing basis. KTTV's Public Affairs Director reviewed and analyzed the completed ascertainments on a monthly basis. Periodic statistical tabulations or narrative summaries of ascertainment data were provided to KTTV's Program Director, as follows:

- April 1986
- May 1986
- June 1986
- July 1986
- August 1986
- November 1986
- March 1987
- April 1987
- June 1987
- July 1987
- January 1988
- March 1988
- April 1988
- July 1988
- September 1988

(Fox Ex. 2, pp. 4-5).

26. KTTV's Program Director, on the basis of the concerns specified by community leaders, then determined the most significant categories of problems and needs to be addressed by the station (Fox Ex. 2, p. 5).

27. During the renewal period, the specific concerns expressed by community leaders generally were encompassed within the following categories of significant problems and needs:

1. Social Services/Government
2. Educational/Recreation/Family
3. Crime/Law
4. Minorities/Immigration
5. Transportation/Traffic/Repairs
6. Environment/Energy/Pollution
7. Substance Abuse/Health
8. Women/Elderly/Handicapped
9. Economy/Inflation/Unemployment
10. Housing/Urban Renewal

(Fox Ex. 2, p. 5).

28. These categories provided the focus for KTTV's news and public affairs programming during the renewal period. Information collected through the ascertainment process was shared with program producers by means of periodic reports and weekly staff meetings (Tr. 567). KTTV's programming, in particular its daily news coverage, reflected the periodic shifts in emphasis in specific ascertained problems and needs that occurred within each of these categories during the renewal period (Fox Ex. 2, pp. 5-6).

29. In addition, as noted above, KTTV's Public Affairs Director reported to the Program Director on a monthly basis regarding her participation in community outreach activities. She made periodic recommendations and suggestions regarding programming and public service campaigns responsive to the problems and needs of the organizations or special interests involved. She also brought producers, talent and special projects to the attention of the Program Director (Fox Ex. 2, p. 6).

30. Each quarter during the renewal period, KTTV prepared and placed in its Public File a list of the programming the station had provided in response to the ascertained problems and needs of greatest significance to the station's viewers. Fox Exhibits 3-8 provided representative examples of the types and scope of programming presented by KTTV to address the various concerns of its service area during the renewal period (Fox Ex. 2, p. 6).

31. The ascertainment process served not only as a vehicle for monitoring local problems and concerns affecting the various segments of KTTV's audience, but also as a way to maintain a dialogue with community leaders. Thus, for example, ascertainment interviews were at times preceded by a brief introductory presentation about obtaining public service and public affairs time on KTTV, and copies of the station's PSA brochure were distributed. Community leader interviews also were helpful at times in identifying potential guests for the station's public affairs and news interview programs. Station representatives were instructed to note an interviewee's interest in appearing on a KTTV public affairs or news program in connection with his or her area of expertise or interest (Fox Ex. 2, pp. 6-7).³

Programming

Public Affairs Program

32. KTTV broadcast six regularly scheduled public affairs programs during the renewal period in order to address the problems and needs of the Los Angeles community, as identified through the station's ongoing ascertainment process. In addition, KTTV broadcast three general interest programs that regularly examined subjects of local or national significance, and included reports on consumer and health issues. These programs included the following:

33. "*Good Day L.A.*": A 30-minute, locally produced public affairs program, broadcast on Saturday mornings from March 6, 1986, through September 5, 1987. (From March 6, 1986, through September 10, 1986, the program was rebroadcast on Wednesday mornings.) "*Good Day L.A.*" addressed specific issues that had been identified in KTTV's ongoing ascertainment process. The program included interviews and panel discussions with community leaders and activists. Participants were drawn from a cross section of the community in order to present a diverse range of views (Fox Ex. 3, pp. 1-2).

34. KTTV also presented a periodic special segment within "*Good Day L.A.*" in cooperation with the Los Angeles County Department of Children's Services, which provided area children with protective services, foster care and adoption placement. Between March 1986 and August 1987, KTTV broadcast approximately 15 "*Eleven's Kids*" segments during "*Good Day L.A.*" These segments, which ranged in length from approximately 4 to 8 minutes, allowed DCS representatives to introduce to KTTV viewers children who were eligible for adoption. The segments focused on hard to place children -- particularly older black and Hispanic children (Fox Ex. 3, p. 2).

35. "*New Forces*": A 30-minute, locally produced public affairs program, broadcast on Saturday mornings from March 6, 1986, through June 7, 1986. (The program was repeated on the following Friday morning.) This series focused on the unique problems and needs of the Los Angeles handicapped community. Hosted by a handicapped person who was confined to a wheelchair, and originated entirely on location, the program profiled the lives of handicapped persons and examined the physical and emotional problems they must endure on a daily basis. "*New Forces*" also urged employers and others to meet the needs of the handicapped by supplying access ramps, installing special restroom facilities and offering recreation programs suitable for handicapped individuals (Fox Ex. 3, pp. 2-3; Tr. 449).

36. "*Speak Out*": A 30-minute, locally produced public affairs program, broadcast on Saturday mornings from March 6, 1986, through August 8, 1987. (Between March 6, 1986, and June 26, 1986, the programs were rebroadcast on Thursday mornings.) This series, produced by KTTV in cooperation with a local religious organization, encouraged dialogue and cooperation among the numerous diverse communities in its service area. It brought together community leaders and representatives to discuss in a panel format issues of mutual concern (Fox Ex. 3, p. 3; Tr. 569).

37. "*Midday Sunday*": A 30-minute, locally produced public affairs program, broadcast on Sunday mornings from September 13, 1987, through the end of the renewal period (November 30, 1988). "*Midday Sunday*" presented

interviews and discussions with community leaders on subjects of concerns to viewers in KTTV's service area. Participants were drawn from a cross section of the community in order to ensure a diverse range of views. Midday Sunday was nominated for a 1987 local Emmy award as Best Public Affairs Series -- Independent Station, and for a 1988 local Emmy award as Best Public Affairs Series (Studio Based) (Fox Ex. 3, pp. 3-4; Fox Ex. 10, pp. 3-4).

38. *"Life Be In It"*: A series of 15 individual segments ranging in length from 10 to 65 seconds that encouraged viewers to lead healthy and active lives by exploring nature and becoming involved in community activities. In particular, the series challenged viewers to refrain from watching television and instead to seek out active pursuits. Beginning on June 14, 1988, the segments were broadcast in rotation between two and thirteen times daily (except for November 22-25, 1988) through the remainder of the renewal period (November 30, 1988) (Fox Ex. 3, p. 4). KTTV Program Director Don Tillman explained that these program segments are another short-form programming (see *infra* at ¶¶ 74-76) ran, on different schedules, as either program material or public service announcements (Tr. 560-561). The "Life Be In It" segments broadcast in public service positions are tallied in Fox Exhibit 8.

39. *"America's Most Wanted"*: A 30-minute prime time public affairs program broadcast Sundays evenings in prime time beginning February 7, 1988, and continuing through the end of the renewal period (November 30, 1988). The program profiled fugitives sought by the FBI and provided details about their cases. It also solicited information from viewers in connection with law enforcement agency efforts to apprehend these fugitives, and resulted in the arrest of a large number of fugitives (Fox Ex. 3, pp. 4-5; Tr. 1348).

40. *"A Current Affair"*: A 30-minute general interest program broadcast during prime time on Monday through Friday evenings beginning June 22, 1987, and continuing through the end of the renewal period (November 30, 1988). The program investigated news and human interest stories of local and national interest (Fox Ex. 3, p. 5).

41. *"Hour Magazine"*: A 60-minute general interest program, broadcast at midday Monday through Friday between May 1987 and June 1988. This series dealt with a wide range of matters, including issues and human interest stories. The program developed its subject matter largely through interviews with local and national figures (Fox Ex. 3, p. 5).

42. *"PM Magazine"*: A 30-minute, general interest program, broadcast during prime time on Monday through Friday evenings between March 6, 1986, and August 29, 1986.⁴ "PM Magazine" presented a mix of nationally and locally produced segments. Local segments, which were produced on a daily basis by KTTV (Tr. 471-472), focused on issues and events of local interest, and highlighted the efforts and accomplishments of individuals in the Los Angeles community. "PM Magazine" also offered regular segments providing information on a variety of consumer issues (Fox Ex. 3, p. 5).

43. Included in Fox Exhibit 3 (pp. 7-80) was a representative compilation of individual public affairs program segments broadcast by KTTV during the renewal period. The following are examples of the public affairs programming aired on KTTV during the renewal period in response to the various needs, interests and concerns of the community.

Social Services/Government:

Robert J. Clark, Corporate Director of Community Programs for Northrop Corporation, discussed the "Job Training Partnership Act" ("Good Day L.A." 6/86) (Fox Ex. 3, p. 12).

Dr. J. Anwyl, Executive Director of Planned Parenthood, described the services available through Planned Parenthood and the philosophy of the "pro-choice" movement ("Good Day L.A." 8/86) (Fox Ex. 3, p. 15).

Dr. Robert Burns discussed the Los Angeles Social Services Department's efforts to reduce fraudulent charitable solicitations ("Good Day L.A." 9/86) (Fox Ex. 3, p. 17).

Charles Weissburel, Los Angeles County Registrar, discussed the importance of registering to vote in the upcoming November election ("Good Day L.A." 9/86) (Fox Ex. 3, p. 17).

City and County of Los Angeles coordinators for the Homeless Project discussed city and county efforts to alleviate homelessness ("Midday Sunday" 1/88) (Fox Ex. 3, p. 56).

Education/Recreation/Family:

Arthur Avila, President of East Los Angeles College, discussed the college's educational objectives ("Good Day L.A." 10/86) (Fox Ex. 3, p. 19).

Janice Kern, Director of the Los Angeles Adolescent Pregnancy "Childwatch" program, discussed efforts to combat the rise in teen pregnancy ("Good Day L.A." 11/86) (Fox Ex. 3, p. 20).

A discussion of a proposal by the Los Angeles City Council to create a cultural arts program targeting both children and adults ("Speak Out" 5/86) (Fox Ex. 3, p. 44).

Senior Los Angeles Public Schools officials discussed a proposal to implement a year-round school calendar to alleviate overcrowding ("Midday Sunday" 9/87) (Fox Ex. 3, p. 50).

District Attorney Ira Reiner discussed his office's efforts to enforce delinquent child support payments ("Midday Sunday" 11/87) (Fox Ex. 3, p. 52).

Crime/Law:

Richard Embry, Program Manager of the San Fernando Valley Child Guidance Clinic, discussed the Clinic's "Juvenile Offense Prevention Program" ("Good Day L.A." 6/86) (Fox Ex. 3, p. 17).

Deputy Chief Glenn Levant discussed the L.A.P.D.'s role in eradicating gang violence ("Midday Sunday" 1/88) (Fox Ex. 3, p. 56).

Representatives of the Los Angeles Sheriff's Department, the American Civil Liberties Union, and a community organization debated proposed new prison construction ("Midday Sunday" 2/88) (Fox Ex. 3, p. 57).

Bill Rutland, Legislative Assistant to California State Assembly Speaker Willie Brown, discussed a legislative initiative to deal with gang violence ("Midday Sunday" 8/88) (Fox Ex. 3, p. 60).

Representatives of the Santa Monica Rape Treatment Center discussed the problem of rape on college campuses ("Midday Sunday" 9/88) (Fox Ex. 3, p. 62).

Minorities/Immigration:

Representatives of the Community Service Organization discussed their organization's programs in the Hispanic community ("Good Day L.A." 4/86) (Fox Ex. 3, p. 8).

Representatives of Cleland House discussed their organization's efforts to improve the standard of living in the Hispanic community ("Good Day L.A." 5/86) (Fox Ex. 3, p. 10).

Mamie Clayton, Executive Director of the Western States Black Research Center, and Hal DeWindt, a film producer and director, discussed the historical involvement of blacks in the film industry ("Good Day L.A." 1/87) (Fox Ex. 3, p. 24).

A discussion of the problems and needs confronting the Native American community ("Speak Out" 1/87) (Fox Ex. 3, p. 47).

Domingo Rodriguez, Supervisor of the Los Angeles Public Schools' Amnesty Preparation and Citizenship Project, discussed the public schools' citizenship preparation program ("Midday Sunday" 6/88) (Fox Ex. 3, p. 59).

Transportation/Traffic/Repairs:

Ted Widby, President of "Commuter Computer," discussed car pooling as a way to save gasoline and reduce congestion and pollution ("Good Day L.A." 4/86) (Fox Ex. 3, p. 8).

W. T. Maloney discussed California Transit's efforts to accommodate the increasing volume of vehicles on state freeways ("Good Day L.A." 8/86) (Fox Ex. 3, p. 15).

Jim Gosnell, Transportation Planning Director for the Southern California Association of Governments, discussed problems likely to face commuters in the year 2010 ("Midday Sunday" 9/87) (Fox Ex. 3, p. 50).

A representative of the California Highway Patrol discussed the Patrol's sobriety checkpoint program ("Midday Sunday" 11/98) (Fox Ex. 3, p. 54).

Lorraine Lawrence, of the Consumer Product Safety Commission, discussed the Justice Department's ban on sales of All Terrain Vehicles ("Midday Sunday" 1/88) (Fox Ex. 3, p. 55).

Environment/Energy/Pollution:

Mike McGuire, Director of the Metropolitan Water District's Water Quality Division, discussed the agency's water quality test and warned of unscrupulous vendors of water purification equipment ("Good Day L.A." 7/86) (Fox Ex. 3, p. 13).

Delwin Biagi, Director of the Los Angeles Bureau of Sanitation, discussed a project to convert landfill waste into energy ("Good Day L.A." 3/87) (Fox Ex. 3, p. 26).

Representatives of RecyCal and the California State Recycling Division debated the effectiveness of the state's recycling laws ("Midday Sunday" 8/88) (Fox Ex. 3, p. 61).

Zev Yaroslavsky, Los Angeles City Councilman, and Mickey Kantor, an attorney for Occidental Petroleum, debated the merits of two ballot initiatives regarding oil exploration in the Pacific Palisades ("Midday Sunday" 10/88) (Fox Ex. 3, p. 63).

Substance Abuse/Health:

Ken Hickman, President of the Central Los Angeles Unit of the American Cancer Society, discussed cancer prevention ("Good Day L.A." 5/86) (Fox Ex. 3, p. 9).

Paula Van Ness, Executive Director of the AIDS Project of Los Angeles, explained her organization's services for AIDS patients ("Good Day L.A." 1/87) (Fox Ex. 3, p. 23).

Betty Hanna Witherspoon, Executive Director of the Rosa Parks Sexual Assault Crisis Center, discussed the Center's services in connection with the physical and emotional trauma of sexual assault ("Good Day L.A." 5/87) (Fox Ex. 3, p. 29).

Dr. Shirley Fannin, Associate Deputy Director of the Los Angeles County Disease Control Program, discussed the need for public education about AIDS ("Midday Sunday" 10/87) (Fox Ex. 3, p. 51).

Dr. Mitch Nides, a lung specialist, discussed a UCLA study concerning the long term dangers of smoking ("Midday Sunday" 11/87) (Fox Ex. 3, p. 53).

Veronica Gomez, head of an AIDS youth outreach program, and Dr. Joseph Church, Co-director of the Los Angeles Children's Hospital AIDS Project, discussed the alarming increase in the incidence of AIDS among young people ("Midday Sunday" 7/88) (Fox Ex. 3, p. 59).

Women/Elderly/Handicapped:

Cynthia Moyer, Easter Seals Program Assistant, provided information about the Society's summer camp for children with disabilities ("New Forces" 4/86) (Fox Ex. 3, p. 40).

Kathye Murphy, Executive Director of the Career Planning Center, discussed the Center's objectives and opportunities for women in the workplace ("Good Day L.A." 10/86) (Fox Ex. 3, p. 19).

June Isaacson Kailes, Executive Director of the Westside Center for Independent Living, discussed the challenges facing the disabled and the services offered by the Center ("Good Day L.A." 12/86) (Fox Ex. 3, p. 22).

Sandra Nuti, a social services worker, discussed alternative living arrangement for the elderly ("Good Day L.A." 7/87) (Fox Ex. 3, p. 32).

Columnist Ellen Goodman discussed the status of the women's movement during the Reagan administration ("Hour Magazine" 4/88) (Fox Ex. 3, p. 67).

Economy/Inflation/Unemployment:

Jeffrey Gutovich, a partner in Financial Resources Group, discussed the financial impact of the new tax laws ("Good Day L.A." 11/86) (Fox Ex. 3, p. 21).

Dorothy Bingham, Dr. Arie Brouwer, and the Reverend Mary Margaret Bever discussed cooperation among civic groups and churches in employment advocacy and food collection programs ("Speak Out" 4/86) (Fox Ex. 3, p. 43).

Gail Tweedy and Robert Owings discussed methods for obtaining employment ("Speak Out" 6/86) (Fox Ex. 3, p. 45).

Ken and Daria Dolan discussed budgeting for a family of four with a total income of \$40,000 ("Hour Magazine" 4/88) (Fox Ex. 3, p. 68).

Housing/Urban Renewal:

Volunteers for Neighborhood Housing Services discussed the organization's efforts to improve the housing conditions of the poor ("Good Day L.A." 7/87) (Fox Ex. 3, p. 32).

Parker Anderson, a representative of the Los Angeles Department of Community Development, discussed the Department's efforts to coordinate neighborhood renewal projects ("Good Day L.A." 8/87) (Fox Ex. 3, p. 35).

Claudia Moore and Marie Sierra, Housing Projects Resident Council members, and Dorie Pye, Los Angeles Housing Commissioner, debated the extent of progress in improving conditions in Los Angeles' public housing facilities ("Midday Sunday" 2/88) (Fox Ex. 3, p. 57).

Henry Unger, business reporter for the Los Angeles Herald-Examiner, discussed the southern California housing market and provided information regarding home loans ("Midday Sunday" 10/88) (Fox Ex. 3, p. 63).

News Programs

44. During the renewal period KTTV presented locally produced coverage of local, national and international news responsive to the ascertained needs, interests and concerns of its community. KTTV broadcast both regularly scheduled daily news programs and periodic news Specials. In addition to spot coverage of breaking news, KTTV provided in-depth news coverage by means of investigative and documentary mini-series, interviews, and discussion segments presented within regularly scheduled newscasts. KTTV also interrupted or preempted its regularly scheduled non-news programming to cover breaking news of exceptional significance. In connection with the station's ascertainment efforts, KTTV's News Department compiled a monthly log of news coverage that was responsive to identified community problems and needs (Fox Ex. 4, p. 1). Representative examples of those logs were submitted in Fox Exhibit 4, Attachment A, pp. 14-115.

45. During the renewal period, KTTV's News Department employed an average of 14 newsmen (reporters), 17 professionals (producers, directors, writers, assignment editors, and graphic artists) and 17 technicians.⁵ The station augmented its coverage of national and international

developments with news feeds from Cable News Network and the news departments at other Fox-owned stations. Additionally, in the Fall of 1987, KTTV established a New Bureau in Orange County, California, in order to expand its coverage in the southern portion of its service area (Fox Ex. 4, pp. 1-2).

46. During the renewal period KTTV acquired both hardware and software to improve the efficiency and effectiveness of its news operation. Fox example, the station leased a helicopter for the exclusive, full-time use of the News Department (Tr. 483-484), purchased its first satellite news gathering (SNG) truck, capable of originating live programming, and acquired an additional microwave-linked mobile news gathering (ENG) van to expand its existing fleet of such vehicles. KTTV also computerized its News Department, which, as noted above, was interconnected with its counterparts at other Fox-owned television stations (Fox Ex. 4, p. 2).

47. *Regularly Scheduled News Programs:* During the renewal period, KTTV presented live, 30-minute news broadcasts between one and three times daily. Beginning in April 1988 and continuing through the remainder of the renewal period, KTTV also presented an early morning rebroadcast of the previous evening's newscast. These locally produced newscasts provided spot coverage of breaking news, sports and weather, as well as extended and ongoing coverage of ascertained problems and needs of viewers in Los Angeles and throughout KTTV's southern California service area (Fox Ex. 4, pp. 2-3).

48. The following regularly scheduled news programs were broadcast over KTTV during the renewal period:

The Midday News: A 30-minute, locally produced newscast, presented at 11:30 a.m., Monday through Friday, between March 6, 1986, and May 22, 1987.

The 8 O'Clock News: A 30-minute, locally produced prime time newscast, presented seven evenings a week between March 6, 1986, and the end of March 1987; thereafter, when weekend newscasts moved to 10:00 p.m., and through September 4, 1987, KTTV broadcast "The 8 O'Clock News" five evenings per week, Monday through Friday. KTTV was the only commercial television station in the Los Angeles market to present an 8:00 p.m. newscast during the renewal period.

The 11 O'Clock News: A 30-minute, locally produced newscast presented at 11:00 p.m., Monday through Friday, between March 6, 1986, and October 8, 1986.

The Midnight News: A 30-minute, locally produced newscast, presented at 12:00 midnight, Monday through Friday, between October 9, 1986, and September 3, 1987.

Fox News at Ten: A 30-minute, locally produced newscast presented at 10:00 p.m., seven nights a week, between September 5, 1987 and May 1, 1988; thereafter, when the Sunday edition was rescheduled, and continuing through the remainder of the renewal period, "Fox News at Ten" was broadcast six nights a week, Monday through Saturday. "Fox News at 10" was the winner of a 1987 local Emmy award for Best Regularly Scheduled Daily News Program (Tr. 578). Beginning in September 1988, "Fox News at Ten" was simulcast in Spanish over the second

audio program (SAP) channel of KTTV's stereo transmission system. The translation was provided by an interpreter utilizing the program script and listening to the audio portion of the broadcast.

Fox News Repeat: A rebroadcast of "Fox News at Ten," presented Tuesday through Saturday mornings (Monday through Friday nights), beginning April 18, 1988, and continuing through the remainder of the renewal period. Between April 18 and August 9, 1988, the program was broadcast between 12:00 midnight and 12:30 a.m. Beginning August 9, 1988, the nightly broadcast was presented between 12:30 and 1:00 a.m.

Sunday Newscasts: Between May 1, 1988, and August 28, 1988, KTTV's 30-minute Sunday evening newscast was broadcast between 11:00 and 11:30 p.m. as "Fox News at 11;" thereafter, and through the remainder of the renewal period, the program was broadcast between 10:30 and 11:00 p.m. as "Fox News Sunday."

(Fox Ex. 4, pp. 3-4).

49. *Special Coverage of Breaking News:* KTTV supplemented its regularly scheduled news broadcasts with extended coverage of events of special significance of interest to viewers in its service area. Special coverage was presented by interrupting or preempting regularly scheduled non-news programming (Fox Ex. 4, p. 4).

50. Examples of special news and events coverage broadcast by KTTV during the renewal period include the following:

Cerritos Air Disaster: KTTV News broadcast a special edition reporting a major air collision over Cerritos, California, at 7:15 p.m. on August 31, 1986. Additional live updates were broadcast through the evening. KTTV's coverage won a 1986 local Emmy award for Best Spot News Same Day Breaking Story.

Papal Visit: On September 15-17, 1987, KTTV provided approximately 14.5 hours of coverage of the visit to Los Angeles by Pope John Paul II, including a broadcast of the Pontiff's celebration of Mass at Dodger Stadium. KTTV's coverage of the Dodger Stadium Mass was nominated for a 1987 local Emmy award for Best Director of Unedited Program-News.

California Earthquake: Beginning at approximately 7:45 a.m. on October 1, 1987, KTTV interrupted its regularly scheduled programming to provide live coverage of a major earthquake in southern California.

Stock Market Crash: KTTV interrupted its regularly scheduled morning programming beginning at 6:00 a.m. on October 20, 1987, to broadcast special reports regarding the previous day's market decline.

First Interstate Bank Fire: KTTV interrupted its regularly scheduled programming on the evening of May 4, 1988, to present continuing coverage of a major fire at the First Interstate Bank building in Los Angeles.

(Fox Ex. 4, pp. 4-5).

51. *Expanded Coverage Within Regularly Scheduled News Programs:* KTTV employed a variety of means to explore the circumstances surrounding news events, and to enhance its viewers' understanding of topical issues. To this end, KTTV's regularly scheduled news programs included investigative and documentary mini-series, as well as interview and discussion segments (Fox Ex. 4, pp. 5-6).

52. Examples of multi-segment investigative reports presented within KTTV's regularly scheduled news broadcasts during the renewal period include the following:

"Dose of Deception": A five-part mini-series presented within KTTV's 8:00 p.m. newscasts on June 22 - 24, 29, and 30, 1987, reported on Interleukin-2 and other experimental drugs used in the treatment of AIDS and cancer patients. "Dose of Deception" was nominated for a 1987 Emmy Award in the Mini-Docs category.

"Cashing in on AIDS": a five-part mini-series presented within KTTV's 10:00 p.m. newscasts on September 20-24, 1987, investigated possible medical and ethical abuses by HIV testing facilities in southern California. "Cashing in on AIDS" received a 1987 Greater Los Angeles Press Club Certificate of Excellence in the investigative reporting category.

"Death in the Orange County Jail": a four-part mini-series presented within KTTV's 10:00 p.m. newscasts on October 9 - 12, 1987, investigated overcrowded conditions at Orange County Jail, and the circumstances surrounding inmate deaths at that facility. "Death in the Orange County Jail" was nominated for a 1987 Emmy Award, and received a 1987 Greater Los Angeles Press Club Certificate of Excellence in the investigative reporting category.

(Fox Ex. 4, p. 6).

53. KTTV's Midday News provided in-depth coverage of topical issues of concern to viewers through live studio interviews, discussions and debates. Examples of such coverage include the following:

Handgun Control: Extensive coverage of pending handgun control legislation, including interviews with supporters and opponents of the legislation, broadcast April 9 - 10, 1986.

Insurance: Coverage of recent changes in the insurance industry, particularly with regard to medical malpractice insurance, broadcast on April 14, 1986. The broadcast featured an interview regarding the causes of increases in insurance premiums.

Nuclear Testing: An interview of author Howard Fall, who discussed the effects of underground nuclear testing during the 1950s and continuing underground tests, broadcast on April 16, 1986.

Pornography and the First Amendment: An interview of a representative of the American Civil Liberties Union regarding the First Amendment and pornography, in connection with a recent decision by Southland Corporation to restrict sales of adult magazines at its 7-11 Stores, broadcast on April 17, 1986.

Drug and Alcohol Abuse: An interview of UCLA Dean Rodney Skoger, who discussed the incidence of drug and alcohol use among California teenagers, broadcast on May 6, 1986.

Teen Suicide: An interview of psychiatrist Dr. John Baucom, who discussed the incidence and prevention of teen suicide, broadcast on May 21, 1986.

Proposition 51: Presentations by opponents and supporters of Proposition 51, a California ballot initiative, broadcast on May 28 - 29, 1986.

Pornography: A discussion regarding the conclusions of the Meese Commission's Report on Pornography, broadcast on June 2, 1986.

Hysterectomy: An interview regarding controversy over the increasing frequency in the performance of hysterectomies, broadcast on June 4, 1986.

The Right to Die: A discussion with representatives of the Hemlock Society about issues regarding the right to die, broadcast on June 6, 1986.

Stock Market Analysis: An interview of financial analyst Don Glostein regarding the causes and effects of recent market volatility, broadcast on June 10, 1986.

Farmworkers' Health Issues: An interview of Cesar Chavez regarding health hazards to farmworkers posed by the use of pesticides on grape crops, broadcast on June 17, 1986.

Pacific Bell Consumer Refunds: An interview of a Pacific Bell Telephone Company representative, broadcast on August 7, 1986, regarding procedures for distribution of consumer refunds ordered by the California Public Utilities Commission.

RTD Safety: A discussion about current efforts to improve training and safety of RTD bus drivers, broadcast on August 8, 1986.

Ozone Depletion: A discussion of the effects of changes in the ozone layer on crops and forests in southern California, broadcast on August 28, 1986.

Cerritos Air Disaster: Following up on the station's Cerritos air crash coverage, an interview of a representative of the Air Line Pilots Association, broadcast on September 2, 1986, regarding work load, stress and other factors affecting the job performance of air traffic controllers.

Student Test Scores: An interview of a local educator, broadcast on September 3, 1986, regarding a recent drop in standardized test scores by Los Angeles' eighth grade students.

Tax Reform Legislation: An interview of a tax advisor, broadcast on September 4, 1986, regarding the significance of federal tax reform legislation for individual taxpayers.

Cerritos Air Disaster: Continued Cerritos air crash coverage with a live studio interview, broadcast on September 5, 1986, of an air traffic controller regarding work load and job performance issues.

East Los Angeles Prison Proposal: Presentations by supporters and opponents of proposed prison construction in East Los Angeles, broadcast on September 9 - 10, 1986.

Food Irradiation: Opposing presentations, broadcast on September 10 - 11, 1986, by a representative of the Environmental Protection Agency and a health organization regarding the costs and benefits of food irradiation.

Political Action: An interview of activist Tom Hayden, broadcast on September 17, 1986, regarding his Santa Monica-based political action organization.

Maternity Leave: Opposing presentations regarding mandatory maternity leave, broadcast on September 17 - 18, 1986.

Proposition 65: Presentations by supporters and opponents of Proposition 65, a California ballot initiative, broadcast on October 13 - 14, 1986.

Gubernatorial Race: Opposing presentations by gubernatorial candidates McCarthy and Curb, broadcast on October 20 - 21, 1986.

Drug Abuse: An interview of Sheriff Sherman Block, broadcast on November 10, 1986, regarding drug abuse in Los Angeles and throughout the United States.

Mandatory Drug Testing: Interviews of supporters and opponents of workplace drug testing, broadcast on November 11 - 13, 1986.

(Fox Ex. 4, pp. 7-9).

54. In 1988, KTTV News presented periodic reports on issues of particular interest to senior citizens. These reports, broadcast during the station's weekend evening newscasts, included the following:

Discounts for Senior Citizens: A report on discount programs available to senior citizens, broadcast on May 1, 1988.

Health Care for the Elderly: A special report on problems of health care for the elderly, broadcast on June 12, 1988.

Prescription Drug Hazards: A report on the hazards to the elderly posed by certain prescription drugs, broadcast on July 3, 1988.

Savings Opportunities: A report on savings opportunities for senior citizens, broadcast on August 7, 1988.

Employment Opportunities: A report on employment opportunities for senior citizens at airline companies, broadcast on September 3, 1988.

Fraudulent Advertising Claims: A report warning the elderly about fraudulent claims in newspaper advertisements, broadcast on September 11, 1988.

Living Trust: A report on the advantages of a living trust mechanism, broadcast on October 1, 1988.

Election Issues: A report on election issues relevant to citizens over the age of 55, broadcast on November 5, 1988.

Shared Housing: A report on trends in shared housing among the elderly, broadcast on November 13, 1988.

(Fox Ex. 4, pp. 9-10).

55. "Troubleshooter" Segments: KTTV's evening newscasts featured periodic "Troubleshooter" segments. The News Department's Troubleshooter reports responded to viewer concerns and complaints regarding local business establishments and governmental agencies, and assisted in crime prevention and other matters (Fox Ex. 4, p. 10).

56. Beginning in November 1987, "Troubleshooter" segments were augmented by direct telephone assistance to viewers. A toll-free referral hotline staffed by members of the Junior League and the American Association of University Women directed callers to appropriate consumer or social service agencies for help in resolving their problems or concerns (Fox Ex. 4, pp. 10-11).

57. Troubleshooter segments presented during the renewal period included the following:

Health Code Violation: An investigation of health violations by Los Angeles restaurants, broadcast on October 27, 1986.

Taxi Driver Assault: A report regarding a violent assault on a Los Angeles taxi driver, broadcast on November 26, 1986. The report was coupled with the offer of \$3,000 reward for information leading to the arrest of those responsible.

Automobile Accident Fraud: A report on bogus automobile accidents staged by professionals, broadcast on April 30, 1987.

Telephone Billing Practices: A report on consumer confusion over telephone service billing practices, broadcast on April 8, 1987.

Little League Field: A report on efforts to help Little League baseball players continue to have use of their playing field in Canyon Country, broadcast on April 6, 1987.

RTD Claims: An investigation of false claims filed against the RTD, broadcast on May 9, 1987.

Government Responsiveness: A report regarding the alleged lack of responsiveness to citizen concerns by city officials, broadcast on May 27, 1987.

Drug Dealing: A report responding to children who have written to complain about the presence of drug dealers in their neighborhood, broadcast on May 18, 1987.

Gas Leak: An investigation of a chlorine gas leak, broadcast on June 17, 1987.

Small Claims Court: A two-part report, broadcast on June 10 - 11, 1987, investigating viewer complaints regarding uncollected small claims court judgments.

Boy Scouts' Park Use: A report on efforts to assist Boy Scouts to regain the use of a park building, broadcast on July 9, 1987.

AIDS Hotline: An investigation of an AIDS hotline that is alleged to be defrauding callers, broadcast on August 9, 1987.

Police Violence: An investigation of a police officer accused of violent activities, broadcast on August 23, 1987.

Children and Weapons: A four-part series, broadcast on November 16 - 19, 1987, on the possession and use of illegal weapons by school children.

Programs for the Homeless: An investigation of programs for homeless wards of the courts, broadcast on January 31, 1988.

Hit and Run Suspect: A report on efforts to identify a suspected hit and run driver, broadcast on March 6, 1988.

(Fox Ex. 4, pp. 11-12).

Special Programs

58. From time to time throughout the renewal period, KTTV preempted its regularly scheduled programming to broadcast programs on matters of special interest to viewers within its service area. KTTV presented special programs in the following categories: Public Affairs and News, including two series of periodic specials -- "For Kids' Sake" and "Infinite Voyage"; sports; special events; awards and tributes; and charitable fundraising (Fox Ex. 5, p. 1).

59. Special programs broadcast between March 6, 1986, and November 30, 1988, including the following:

Public Affairs and News Specials

"American Treasure: A Smithsonian Journey" aired on March 23, 1986 from 8:30 to 10:00 p.m. This program reflected on America's heritage, achievements and aspirations as represented by the collections in the museums of the Smithsonian Institution.

"California Lotto Special" was broadcast on October 18, 1986 from 7:30 to 8:00 p.m. This KTTV-produced program introduced the new California state lottery. KTTV Program Director Don Tillman testified that the program was presented in response to a public "outcry" for information regarding the new lotto drawing (Tr. 492, 594). It provided instruction for playing the various games, explained how winners were selected, and how the proceeds would be utilized (Tr. 491).

"Trial of Greed - Trail of Death" aired on November 14, 1986 from 8:30 to 9:00 p.m. This exclusive investigative report, produced by KTTV's News Department, examined the drug problem in the United States and Mexico. Hosted by a KTTV News reporter who had recently visited Mexico, the program took viewers to the primary narcotics producing areas in Mexico, and included interviews with Mexican authorities and a well known drug traffic expert.

"POW - Americans in Enemy Hands: World War II, Korea and Vietnam" aired on January 27, 1987 from 9:00 to 11:00 p.m. This documentary consisted of firsthand accounts by former prisoners of war of their experiences in captivity. Focusing on nine Americans held prisoner in Europe, Korea and Vietnam, the program detailed their surrender, day-to-day survival, torture and brainwashing, attempted escapes, waiting families and homecomings.

"DWI: Deadliest Weapon in America" aired on April 4, 1987 from 10:00 to 11:00 p.m. This program documented the high correlation between deadly automobile accidents and drunken driving, emphasizing the dangers posed by persons who drive while intoxicated.

"*The National AIDS Test - What Do You Know About Acquired Immune Deficiency Syndrome?*" aired on September 17, 1987 from 8:00 to 10:00 p.m. This program presented a televised test comprising 55 multiple-choice and true-or-false questions posed by celebrities and answered by the Surgeon General and other health experts. Broadcast without commercial interruption and produced in cooperation with the federal government, the special served as an informational forerunner to National AIDS Prevention Month in October of 1987.

"*The Stock Market Report*" aired on October 19, 1987 from 11:00 to 11:30 p.m. This KTTV News special, portions of which were locally produced, explained the causes and effects of the stock market crash.

"*Angel of Death*" aired on December 6, 1987, from 10:30 to 11:30 p.m. This documentary profiled Donald Harvey, who confessed to the "mercy" killing of 58 people, mostly hospital patients. In addition to an interview with Harvey, the program included interviews with psychiatrists, members of Harvey's family, and a variety of people connected with this case.

"*What's Killing the Children ?*" aired on December 21, 1987 from 7:30 to 8:00 p.m. This exclusive investigative report, produced by KTTV's News Department, examined the high incidence of cancer among the children of McFarland, a small farming community in the San Joaquin Valley. "What's Killing the Children?" was nominated for a 1987 local Emmy Award, and was one of 17 national Emmy Award finalists for 1987. It also was honored with a 1987 Angel Award.

"*Martin Luther King Tribute*" This special series of eight 60-second segments, produced by KTTV, featured Los Angeles area schoolchildren sharing their thoughts and feelings about Dr. King. The segments were broadcast in rotation throughout January 18, 1988, in connection with the national holiday in Dr. King's honor.

"*Democratic Presidential Debate*" aired on February 28, 1988 from 1:00 to 3:30 p.m. In this election year special, KTTV presented live coverage of a debate among the candidates for the Democratic Party's presidential nomination.

"*The Home Restoration Show*" aired on April 14, 1988 from 9:30 to 10:00 a.m. This program contained various tips and suggestions to enable homeowners to complete minor repairs around their homes.

"*New York Primary Vote*" aired on April 19, 1988 from 10:30 to 11:00 p.m. This news special, produced in cooperation with sister station WNYW, New York, provided live coverage and analysis of the results from the presidential primary elections held that day in New York State.

"*Korean War: The Untold Story*" was presented on May 30, 1988 from 8:00 to 9:00 p.m. This dramatic documentary explored the causes and history of the Korean War.

"*The R.F.K. Story*" aired on June 6, 1988 from 10:30 to 11:00 p.m. This documentary, produced by KTTV, explored the lingering controversies surrounding the

assassination of Robert F. Kennedy. It included interviews with family and friends of Kennedy, and also recalled the 1968 presidential campaign. "The R.F.K. Story" received a 1988 Angel Award, and was nominated for a 1988 local Emmy Award for Best Film/Tape Editor of News Features.

"*Cut Rate Daycare*" was presented on September 13, 1988 from 9:00 to 10:00 p.m. In this KTTV production, KTTV News examined the decline in the quality and maintenance of local Day Care programs.

"*Countdown to Discovery*" aired on September 27, 1988 from 8:00 to 9:00 p.m. This prelude to the launch of the space shuttle Discovery detailed the changes in the United States space program since the Challenger tragedy in January 1986. The special also included a retrospective on the evolution of the space program, and a report on current and future projects and goals. The program was co-produced by two of KTTV's sister stations, and was co-hosted by a news anchor from KTTV.

"*L.A. Magnet Schools.*" In March of each year during the renewal period, KTTV broadcast a 30-minute documentary on the progress and status of the Los Angeles public school system:

"*L.A. Magnet Schools: Choice '86*" aired on March 15, 1986 from 7:30 to 8:00 p.m. and traced the evolution and progress of the Los Angeles Unified School District's "Magnet School" program.

"*L.A. Magnet Schools: Choices '87*" aired on March 14, 1987 from 6:00 to 6:30 a.m. and offered interviews with parents, students, principals and program coordinators concerning the effectiveness of the Magnet School program.

"*L.A. Magnet Schools: Choice '88*" aired on March 20, 1988 from 10:30 to 11:00 a.m. and involved an overall analysis of the educational programs provided within the Los Angeles school system.

(Fox Ex. 5, pp. 1-5).

60. "*For Kids' Sake*" *Specials*: During the renewal period, KTTV undertook an educational campaign entitled "For Kids' Sake." Designed to educate and inform parents about issues affecting their children's development, "For Kids' Sake" included periodic prime time documentary, educational and dramatic specials. (Fox Ex. 5, p. 4).

61. Three of the programs in the "For Kids' Sake" series were produced by KTTV; one of these was nominated for a local Emmy Award. In addition, KTTV developed a series of public service announcements in connection with this campaign. (Fox Ex. 4, p. 4).

62. "For Kids' Sake" specials broadcast between March 6, 1986, and November 30, 1988, included the following:

"*Tender Places*" aired on April 4, 1986 from 9:00 to 10:00 p.m. This drama examined the impact of divorce on a young child.

"Remembering Christa" aired on January 28, 1987 from 8:30 to 9:00 p.m. This program looked at the tragic explosion of the space shuttle Challenger through a personal profile of Christa McAuliffe.

"Kids and Drugs: A High Price to Pay" aired on April 4, 1987 from 9:00 to 10:00 p.m. This program profiled the lives of four children attempting to overcome drug addiction. The program examined rehabilitation and prevention programs, and the effect on the children's personalities, their families and communities.

"Street Shadows" aired on July 6, 1987 from 9:00 to 10:00 p.m. This investigative report documented the harsh experiences and lifestyles of runaway youths. The program included interviews with children living on the street, and looked at how they attempt to survive.

"School on Trial" aired on September 3, 1987 from 9:00 to 10:00 p.m. This dramatic special examined the problems of public education in America.

"Drop Everything and Read" aired on September 3, 1987 from 10:00 to 11:00 p.m. This documentary explored America's literacy problem, and focused on successful methods for encouraging children to improve their reading skills.

"When I Was Your Age" aired on October 23, 1987 from 9:00 to 10:00 p.m. This segment compared and contrasted the current generation of children to the baby boom generation of their parents.

"Working It Out: Kids and Race" aired on October 23, 1987 from 9:00 to 10:00 p.m. This special focused on a weekend encounter group in which nine children of varied backgrounds explored their feelings about stereotypes and prejudice.

"A Time to Care" was broadcast on December 3, 1987 from 8:00 to 9:00 p.m. Produced by KTTV, this program examined the development of relationships between children and their parents.

"What's the Matter With Parents Today?" aired on December 28, 1987 from 8:00 to 9:00 p.m. This program, produced by KTTV, dealt with the problem of communication between children and their parents. "What's the Matter With Parents Today?" was nominated for a 1987 local Emmy Award nominee for best Children's/Youth Special -- Independent Stations.

"Youth Olympians" aired on February 1, 1988 from 8:00 to 8:30 p.m. This program looked at the training process and regimen of three young Olympic hopefuls.

"The Gift of Time" aired on March 31, 1988 from 8:00 to 9:00 p.m. This program detailed the personal and social rewards of giving time to help needy children.

"Making Peace With Dad" was presented on April 25, 1988 from 8:00 to 9:00 p.m. Produced by KTTV, this special explored the relationships between fathers and children.

"Teach Your Children Well" aired on June 22, 1988 from 8:00 to 9:00 p.m. This special explored the increasing problem of children infected with the AIDS virus.

"The Discovery Years" aired on August 25, 1988 from 8:00 to 9:00 p.m. This documentary examined the first year relationship between parents and newborns.

(Fox Ex. 5, pp. 5-7).

63. "Infinite Voyage" *Specials*: Beginning in 1987, KTTV presented "The Infinite Voyage," a series of specials focusing on environmental and scientific issues. "The Infinite Voyage" profiled some of the world's most outstanding scientists and their exploration of the unknown. Through these specials, viewers were given insights into many of nature's mysteries, and offered solutions to present-day problems using advances in technology, science and other disciplines (Fox Ex. 5, p. 7).

64. Examples of specials in "The Infinite Voyage" series included the following:

1. "Unseen Worlds" aired on December 1, 1987 from 8:00 to 9:00 p.m. This program examined the micro-universes of the human body as well as the macro-universes of other galaxies.

2. "To the Edge of the Earth" aired on January 11, 1988 from 8:00 to 9:00 p.m. This special accompanied scientists exploring life in places rarely traveled or inhabited by man.

3. "Fires of the Mind" aired on April 18, 1988 from 8:00 to 9:00 p.m. This program reported on the activities of scientists exploring human thought process and how the human mind functions.

4. "The Geometry of Life" aired on June 14, 1988 from 8:00 to 9:00 p.m. In this program, archaeologists searched North America to understand man's management of the physical world. The program reconstructed the experiences encountered by Asians who migrated across the Bering Strait.

(Fox Ex. 5, pp. 7-8).

65. *Sports Specials*: Periodically throughout the renewal period, KTTV provided special coverage of local and national sporting events. KTTV Program Director Don Tillman's uncontradicted testimony established that sports and recreational activities are very important to the Los Angeles Community, which also has many professional and amateur sports franchises (Tr. 606). Tillman testified that sports and recreation were consistently among the ascertained interests of the community (*id.*). Sports specials broadcast between March 6, 1986, and November 30, 1988, included the following:

"The White House Tennis Tournament" aired on October 24, 1987 from 1:00 to 2:00 p.m. This special provided coverage of a charity tennis tournament held at the White House.

"Lakers Preview" aired on November 1, 1987, from 10:30 to 11:30 p.m. This program, a production of KTTV Sports, profiled the members of the 1987/1988 Los Angeles Lakers basketball team, and assessed the team's chances for a championship season.

"*The U.S. Open Polo Championship*" was presented on November 15, 1987 from 3:30 to 4:30 p.m. KTTV produced and broadcast taped coverage of polo's national championship event from Palm Springs, California.

"*NFL Preview Show*" was broadcast on November 15, 1987 from 4:30 to 5:00 p.m. This program, a production of KTTV Sports, previewed an upcoming National Football League game to be broadcast locally on KTTV.

"*The Independence Bowl*" aired on December 19, 1987 from 5:00 to 8:00 p.m. This special provided live coverage of the annual college bowl football game.

"*The All American Bowl*" was shown on December 22, 1987, from 5:00 to 8:00 p.m. In this sports special, KTTV presented coverage of an annual college bowl football game.

"*NFL Preview Show*" aired on December 27, 1987 from 4:30 to 5:00 p.m. This program, a production of KTTV Sports, previewed an upcoming National Football League game to be broadcast locally on KTTV.

"*The Peach Bowl*" was shown on January 2, 1988 from 10:00 a.m. to 1:30 p.m. This sports special provided live coverage of the annual college bowl football game.

"*East-West Shrine Game*" was shown on January 16, 1988, from Noon to 3:00 p.m. This sports special provided live coverage of the annual college all-star game.

"*The Senior Bowl*" aired on January 23, 1988 from 10:00 a.m. to 1:00 p.m. This special provided live coverage of the annual college all-star football game.

(Fox Ex. 5, pp. 9-10).

66. During the renewal period, KTTV produced special programs regarding the Los Angeles Dodgers baseball team, many of whose games were broadcast on KTTV. According to Tillman, the public interest was well served by these specials, which focused on the Dodgers' personalities and organization, because of the important role played by the Dodgers in the Los Angeles community (Tr. 420-421, 582-583, 606). Special Dodgers programs broadcast between March 6, 1986, and November 30, 1988, included the following:

"*Tommy*" aired on March 8, 1986 from 8:30 to 9:00. This KTTV production highlighted the life of Los Angeles Dodgers Manager Tommy Lasorda on the 25th anniversary of his relationship with the team.

"*Dodgers' 25th Anniversary*" aired on February 28, 1987 from 8:30 to 9:00 p.m. Marking the 25th anniversary of the Dodgers' move to southern California, this retrospective, produced by KTTV, recalled the team's relocation and history in Los Angeles.

"*Blue of '62*" aired on March 1, 1987 from 10:00 to 11:00 p.m. This program, produced by KTTV, highlighted the personalities and accomplishments of the 1962 Dodgers team.

"*Made in Southern California*" aired on March 7, 1987 from 8:30 to 9:00 p.m. This pre-season special, produced by KTTV, profiled current Dodgers players who grew up in the southern California area.

"*Dodgers from Vero Beach*" aired on February 28, 1988 from 10:30 to 11:00 p.m. Produced by KTTV, this special provided live coverage from Florida to the Dodger's arrival for spring training.

"*Blue Print for '88*" was broadcast on March 6, 1988 from 10:30 to 11:00. This KTTV production previewed the upcoming baseball season for the Los Angeles Dodgers and analyzed the team's chances for a championship season.

(Fox Ex. 5, pp. 8-9).

67. *Special Events Coverage*: From time to time during the renewal period, KTTV broadcast coverage of local and national special events. Tillman testified, for example, that KTTV is known in the community as the "parade station" (Tr. 606-607). KTTV signed on with its first telecast of the Tournament of Roses Parade and has covered the parade in each of the 44 years since then (*id.*). On January 1, 1987 and January 1, 1988, KTTV produced special preview coverage of the Tournament of Roses Parade, and broadcast live coverage of the Parade itself, held annually in Pasadena, California. The "*Tournament of Roses Parade Preview*" aired from 7:00 to 8:00 a.m. and included interviews with performers and parade officials. The "*Tournament of Roses Parade*" was broadcast live from 8:00 to 10:30 a.m., and was rebroadcast during the day. KTTV not only broadcast the parade, but also profiled local participants, and provided background information on the construction and significance of the various parade floats (Fox Ex. 5, pp. 10-11).

68. Examples of other special events broadcast between March 6, 1986, and November 30, 1988, include the following:

"*The St. Patrick's Day Parade*" was shown on March 16, 1986 from 10:00 to 11:00 a.m. Produced by KTTV, this program provided live coverage of the annual parade that takes place on the streets of Beverly Hills.

"*500 Festival Parade*" was broadcast on May 24, 1986 from 10:00 a.m. to Noon. This program presented live coverage from Indianapolis, Indiana of events surrounding the annual Indianapolis 500 automobile race.

"*Portland Rose Festival*" aired on June 7, 1986 from 10:00 a.m. to Noon. Originating from Portland, Oregon, this special broadcast live coverage of the annual spring parade.

"*Cherry Blossom Parade*" was broadcast on April 11, 1987 from 10:00 a.m. to Noon. In this special, KTTV presented live coverage of the annual parade from Washington, D.C. celebrating the arrival of Spring.

"*Rose Bowl Kickoff Luncheon*" was broadcast on December 31, 1986 from 1:30 to 3:00 p.m. This program offered live coverage of the annual luncheon honoring the two rival college football teams playing in the New Year's Day Rose Bowl game held in Pasadena, California.

"*KTTV Christmas Card Special*" aired on December 24, 1987 from 8:00 to 10:00 p.m. This KTTV produced special highlighted the different ways members of the Los Angeles community celebrate Christmas. This program, which was presented without commercial interruption, featured scenes from around the greater Los Angeles area, accompanied by Christmas music (Tr. 607).

"*Beverly Hills Christmas*" was presented on December 25, 1987 from 1:00 to 2:00 p.m. Produced by KTTV, this program visited Christmas celebrations being held in the Beverly Hills area, and featured seasonal music.

"*Portland Rose Parade*" aired on June 11, 1988 from 10:00 a.m. to Noon. This special provided live coverage from Portland, Oregon of the annual Spring parade.

(Fox Ex. 5, pp. 11-12).

69. *Awards and Tributes Specials*: Periodically throughout the renewal period, KTTV broadcast special tributes and award programs. Tillman testified that "awards specials are part of our way of life" in the Los Angeles community; moreover, he said, the honorees "are people who live and work in our community." (Tr. 608). Included among the special programs broadcast between March 6, 1986, and November 30, 1988, were the following:

"*The World Music Video Awards Preview*" was shown on January 1, 1987 from 8:30 to 9:00 p.m. This program profiled the musicians who had been nominated for the awards to be presented the following week (Fox Ex. 5, p. 12). This program was produced by KTTV in cooperation with News America Corporation (Tr. 432).

"*The World Music Video Awards*" aired on January 10, 1987 from 9:00 to 11:00 p.m. This program, which provided live satellite coverage of the annual awards ceremony, was produced by KTTV in cooperation with News America Corporation (Fox Ex. 5, p. 12; Tr. 432).

"*The Golden Globe Awards*" was presented on January 31, 1987 from 9:00 to 11:00 p.m. Broadcast live from Hollywood, California, this program provided coverage of the annual awards ceremony honoring the motion picture and television industries (Fox Ex. 5, p. 12).

"*The Black Gold Awards*" aired on March 7, 1987 from 11:30 p.m. to 1:30 a.m. This special covered the annual awards held in Hollywood to honor Black entertainers.

"*The Soul Train Music Awards*" was presented on March 23, 1987 from 9:00 to 11:00 p.m. Broadcast live from Hollywood, this program provided coverage of the annual awards honoring Black performers in the music industry.

"*The American Video Awards*" was shown on April 27, 1987 from 9:00 to 11:00 p.m. This program provided live coverage of the awards ceremony honoring performers in the video industry.

"*The MTV Award*" was broadcast on September 12, 1987 from 11:00 p.m. to 1:00 a.m. Telecast from Hollywood, this program provided coverage of the annual video awards ceremony.

"*The Emmy Awards Post Show*" was shown on September 20, 1987 from midnight to 12:30 a.m. This program, produced by KTTV, provided live coverage of several parties around Los Angeles following the Emmy Awards honoring the television industry.

"*The Hall of Fame Awards*" was presented on November 30, 1987 from 8:00 to 10:00 p.m. This special, produced by KTTV, provided coverage of the annual awards ceremony honoring achievement in the television industry.

"*The Clio Awards*" aired on December 2, 1987 from 8:00 to 9:00 p.m. This annual awards program, produced by KTTV, honored achievements in the television advertising industry.

"*The Soul Train Music Awards*" aired on March 30, 1988 from 8:00 to 10:00 p.m. This program provided live coverage of the annual awards ceremony honoring performances and achievements by Black performers in the music industry.

(Fox Ex. 5, pp. 12-13).

70. *Charitable Fundraisers*: During the renewal period, KTTV provided airtime and made its facilities available for production and broadcast of extended national and local fundraising events on behalf of charitable organizations. Examples of such special programming broadcast between March 6, 1986, and November 30, 1988, included the following:

"*Stop A Killer*" aired on June 8, 1986 from 4:00 to 10:00 p.m. Broadcast live from Los Angeles, this program solicited donations to fight leukemia (Fox Ex. 5, p. 14). This program was produced by KTTV (Tr. 433-434).

"*The Muscular Dystrophy Association Telethon*" aired from 6:00 p.m. August 31 to 3:30 p.m. on September 1, 1986. This fundraising event sought donations from individuals to help combat muscular dystrophy. In addition to national programming, the telethon also included hourly ten minute segments, hosted by local celebrities, that were produced by KTTV and broadcast from the station's studios.

"*Star-Athon '87*" and "*Star-Athon '88*" aired from 8:00 p.m. on January 17 to 6:00 p.m. on January 18, 1987 and from 10:00 p.m. on January 23 to 6:00 p.m. on January 24, 1988. This program included national as well as locally produced segments soliciting donations to fight cerebral palsy (Fox Ex. 5, p. 14). The local segments were produced by KTTV (Tr. 434).

"*Six Hours For Life*" aired on August 8, 1987 from noon to 6:00 p.m. This national telethon, which included local segments produced by KTTV, sought funds to benefit the Leukemia Society of America.

(Fox Ex. 5, p. 14).

Children's Programs

71. During the renewal period, KTTV broadcast programming of special interest to children. In addition to regularly scheduled and special children's entertainment programming, KTTV broadcast the following programs specifically addressed to the interests and concerns of children:

72. "Dr. Science:" A 30-minute, locally produced children's program broadcast Saturday mornings at 11:00 a.m. between September 19, 1987, and February 27, 1988. The program's title character, a humorous science professor, used an entertaining, engaging format to inform and educate children about basic scientific concepts. "Dr. Science" won a 1987 local Emmy Award for Best Program, Children/Youth -- Independent Stations (Fox Ex. 7, p. 1).

73. "Kidsongs:" A 30-minute program broadcast Saturday mornings at 7:30 a.m. between September 1987 and November 30, 1988 (Tr. 404). "Kidsongs presented traditional children's songs performed by children in music video-like sequences. The program, hosted by children, was based on the premise that children had discovered an abandoned television station, which they used to stage performances of their favorite children's songs. Children were shown each week in the "station's" control room, operating equipment and producing the program (Fox Ex. 7, p. 1).

74. "It's a Good Sign:" A locally produced series of thirty and sixty second segments designed to teach hearing children simple signs used by the hearing-impaired. The series, which featured a hearing impaired person signing and speaking selected words in the basic sign language vocabulary, was intended to improve communication between hearing and hearing-impaired children and to give hearing children a better understanding of some of the problems faced by the hearing-impaired (Tr. 600-602). The 105 individual segments of "It's a Good Sign" were broadcast on an ongoing basis between March 1986 and January 1988 (Fox Ex. 7, p. 2). Segments typically were broadcast during children's viewing hours, between 7:00 and 9:00 in the morning or between 3:00 and 5:00 in the afternoon (Tr. 601).

75. "Have You Ever Wondered?" A locally produced series of program segments, ranging in length from 30 to 60 seconds, designed to address children's curiosity about the world around them, and often responding to actual questions submitted by KTTV viewers -- for example, "Why is grass green?" and "How do planes fly?" The 250 individual segments of "Have You Ever Wondered?" were broadcast on an ongoing basis between March 6, 1986, and November 30, 1988. "Have You Ever Wondered?" won a 1986 local Emmy Award for Best Program for Children/Youth -- Independent Stations. "Have You Ever Wondered?" was nominated for a 1987 Emmy Award for Best Program for Children/Youth -- Independent Stations. (Fox Ex. 7, p. 2). Both "It's a Good Sign" and "Have You Ever Wondered," like other short-form programming (see *supra*, at ¶ 38), ran on different schedules as either program material or public service announcements (Tr. 560-561, 570-571). The segments of "It's a Good Sign" and "Have You Ever Wondered" broadcast in public service times are tallied in Fox Exhibit 8.

Public Service Announcements

76. During the renewal period KTTV made time available throughout its broadcast day for the presentation of Public Service Announcements (PSA). PSAs afforded local and national community, charitable, civic and other organizations, as well as local government agencies, an opportunity to reach residents of KTTV's service area with messages of public interest (Fox Ex. 8, p. 1).

77. KTTV broadcast both self-contained, video-taped messages and voiceover "bulletin board" messages. PSA lengths generally varied from 10 to 60 seconds. Each month during the renewal period, videotaped PSAs and hard copy voiceover messages were submitted to KTTV, and were reviewed by the station's Public Affairs Director, who also supervised the scheduling of PSAs (Fox Ex. 8, p. 1).

78. KTTV distributed a brochure entitled "KTTV Public Affairs Guide containing information regarding the station's PSA acceptance policy and technical requirements, as well as a list of "11 Tips to Succeed" in making an effective PSA. (A copy of this brochure was attached to Fox Exhibit 8 as Attachment A). KTTV's Public Affairs Director also made periodic presentations to representatives of community organizations and local government agencies to offer advice on creating effective public service messages and gaining access to airtime for those messages on KTTV and other local television stations (Fox Ex. 8, p. 1).

79. KTTV also made its facilities and personnel available throughout the renewal period for the production of public service messages. The station's Public Affairs Director worked with local organizations to conceive and design public service campaigns. She also assisted in the production of PSAs by writing scripts, arranging for talent, and producing, directing and editing public service spots, using the station's technical facilities. KTTV also made and distributed duplicate copies of PSAs, free of charge, for broadcast by other Los Angeles television stations (Fox Ex. 8, p. 2).

80. *PSA Production Assistance Provided by KTTV, March 6, 1986 - November 30, 1988:* During the renewal period KTTV provided facilities for, and produced or assisted in the production of the following Public Service Announcements:

March 6, 1986 through December 31, 1986

"Officer Byrd" PSA for the Los Angeles Unified School District.

"WE TIP," 8 PSAs covering Crimes Against Children, Drug Pushers and Forest Fires. Kent McCord was celebrity talent.

"RECORDING FOR THE BLIND," produced for Recording for the Blind. Jane Wyatt was celebrity talent.

"BEVERLY HILLS SAINT PATRICKS DAY PARADE," 4 celebrity PSAs promoting the City's annual St. Patrick's Day Parade.

"BRUIN & TROJAN SUPER STAR CLASSIC," PSA for annual disabled children fundraiser.

"OPEN HOUSE AT THE HOLLYWOOD BOWL," "WINNER SUBSCRIPTION SERIES," 30-second and 50-second PSAs for the Los Angeles Philharmonic.

"WOMEN IN SHOW BUSINESS," 10-second and 30-second PSAs for Crippled Children's Society event to raise money to provide plastic surgery for children with disfiguring birth defects. Rose Marie was celebrity talent.

"AIDS TESTING PROGRAM," 30-second PSA for Edelman Health Center.

"FREE AIDS COUNSELING SERVICE," 30-second PSA for Shanti Foundation's services for people with AIDS and their families.

"SPECIAL COLLEGE CREDIT CLASSES," 10-second and 20-second PSAs for Los Angeles City College Homebound Program, promoting special college program that provides credit classes for disabled students.

"OFFICER BYRD," 14 PSAs for Los Angeles Unified School District; two versions of series of safety spots were completed, one for KTTV and one generic for all Fox stations.

"MAGIC POLICEMAN," 6 PSAs for Santa Monica Police Department, series of safety spots featuring policeman and his magic tricks.

"DICKERSON'S RANGERS," 30-second and 60-second PSAs for L.A. City Department of Recreation and Parks, inviting youngsters to join Eric Dickerson's Rangers, an after school club at the parks that promoted drug free fun.

"ROYCE HALL," 30-second PSA produced for the UCLA Center for the Arts to promote Royce Hall's 1986-1987 season.

"ABILITIES FAIR," 10-second and 30-second PSAs for the Disabilities Awareness Committee annual event. Celebrity talent was Christopher Templeton, disabled actress.

"JAPANESE-AMERICAN CULTURAL CLASSES," 30-second PSA for Japanese-American Cultural & Community Center. Talent was a former Ms. Neisei.

"SAFE HALLOWEEN," 30-second PSA for Los Angeles City Recreation and Parks Department, inviting youngsters to celebrate Halloween at a local park, where special programs were offered.

"LOW COST CANCER SCREENING," 30-second PSAs for CANCER DETECTION CENTER.

"WOMEN'S CAREER OPTIONS CONFERENCE," 30-second PSAs for the Career Planning Center.

"TEEN PREGNANCY," PSAs produced by Fox for children's Defense Fund.

"MOMMY DON'T," PSAs for the March of Dimes. KTTV helped to develop those spots which addressed preventable birth defects caused by smoking, alcohol and drugs.

"CHILDREN'S FESTIVAL OF THE ARTS," PSA produced for the Hollywood Arts Council.

"SAFETYBELT SAFESM WALKATHON," PSA produced to kick off Child Passenger Safety Week for the Los Angeles Area Child Passenger Safety Association.

January 1, 1987 through December 31, 1987

"ANNUAL DINNER," 30-second PSA produced for Para Los Ninos to publicize their annual fundraising dinner benefiting their Skid Row School. Tom Skerritt was celebrity talent.

"TEENLINE," 30-second PSA promoting hotline for teens.

"WORLD'S GREATEST WORKING TRUCK SHOW," 30-second and 10-second PSAs produced for the Crippled Children's Society fundraiser. Celebrity talent was Lee Meriweather and Jameson Parker.

"LITERACY HOTLINE," 30-second PSA for the Los Angeles County Library.

"HOLLENBECK SALUTES THE DODGERS," 30-second Spanish and 30-second English PSAs produced for the Hollenbeck Youth Center.

"TOM SULLIVAN'S ST. PATRICK'S DAY 10K RUN," 4 30-second PSAs produced for the Blind Children's Center. Tom Sullivan was the celebrity talent.

"BURN CENTER," PSA produced for Alicia Ann Ruch Burn Center.

"MADD," bilingual spots produced for the Los Angeles Mothers Against Drunk Driving, featuring Rita Moreno as the celebrity talent.

"BLACK ADOPTIONS FESTIVAL," 30-second PSA produced for the Adoption Division of the Los Angeles County Department of Children's Services.

"RECRUITMENT," 30-second bilingual PSAs produced for the Los Angeles County Department of Public Social Services, recruiting for bilingual Social Service Workers.

"LEGAL SERVICES," 30-second PSA produced for Bet Tzedek Legal Services providing free legal services to needy persons.

"RECRUITMENT," re-edited PSAs for U.S. Naval Sea Cadets.

"THIRD ANNUAL HOLLYWOOD BUSINESS EXPO," PSA produced and distributed for the Hollywood Chamber of Commerce.

"STRIKE UP FRIENDSHIPS, NOT MATCHES," re-edited PSA for the Los Angeles City Fire Department.

"SCOUTING FOR THE HANDICAPPED," re-edited 30-second PSA for the Los Angeles Chapter of Scouting for the Handicapped.

"PROM NIGHT," 20-second, 30-second and 60-second PSAs produced for Mothers Against Drunk Driving (MADD).

"FREE ARTS CLINIC," PSA for organization which brings artists, actors, volunteers together to teach abused children how to express themselves through art.

"FOR KIDS' SAKE," re-edited 36 PSAs.

"OFFICER BYRD," 14 PSAs produced for Los Angeles Unified School District.

6 PSAs produced for the Santa Monica Police Department.

6 PSAs produced for the March of Dimes.

"HOT STUFF," PSA campaign on burn prevention presented by Department of Water & Power.

"CHILDREN'S SUMMER FESTIVAL," 30-second and 60-second PSAs produced to publicize the Festival sponsored by the Hollywood Bowl.

"JACKIE ROBINSON EXHIBIT," 30-second, 10-second and 20-second PSAs produced for the Afro-American Museum.

"SHOWTIME AIDS FUNDRAISER," 30-second PSA produced for the Shanti Foundation.

"TEEN CANTEEN," 30-second PSA produced for the Teen Runaway Daytime Drop-In Center.

"SENIOR CITIZEN SAFETY BROCHURE," 30-second PSA produced for the U.S. Consumer Product Safety Commission.

"ROYCE HALL CENTER FOR THE PERFORMING ARTS," 30-second PSA produced for UCLA.

"DA CAMERA SOCIETY," 30-second PSA produced for Mount St. Mary's College, providing chamber music concerts at historical sites through the city.

"SAFE," 20-second and 30-second PSAs produced for the Orange County Foster Homes Program.

"PREGNANT TEEN SHELTER," 30-second PSA produced for St. Anne's Maternity Home to publicize their shelter/school for pregnant teens.

"AIDS HOTLINE," 30-second PSA produced for Rev. Carl Bean and the Minority Aids Project.

"BUCKLEBEAR^R," 30-second and 20-second PSAs produced for Los Angeles Child Passenger Safety Association, to publicize seat belt safety for children.

"CAREER EXPO -- WOMEN'S EMPLOYMENT OPTIONS CONFERENCE," 30-second PSA produced for the Career Planning Center.

"OLYMPIC ARTS FESTIVAL REVIVAL," 30-second PSA produced for the Los Angeles Festival.

"LOS ANGELES OPERA," 30-second PSA.

"LOS ANGELES PHILHARMONIC ASSOCIATION," 30-second and 30-second PSA produced featuring Andre Previn and Roger Bobo.

"MOMMY DON'T," localized 8 PSAs for the March of Dimes series.

January 1, 1988 through November 30, 1988

"LIEU CAP GENERAL AWARENESS," 30-second and 60-second PSA for the Low Income Elderly United Community Assistance Program.

"VALLEY SHELTER," 30-second and 60-second PSA, for the Valley Shelter for the Homeless.

For the HOMELESS PROJECT:

"WILLOWBROOK FAMILY SHELTER," 30-second PSA

"LONG BEACH FAMILY SHELTER," 30-second and 60-second PSAs

"GRAMMERCY PLACE," 30-second and 60-second PSA

"ZAHN MEMORIAL CENTER," 30-second and 60-second PSA, featuring Bill Redeker.

"RUMMAGE SALE," 20-second spot for Junior League of L.A., promoting its event to raise money to be distributed to community projects.

"CALIFORNIA MUSEUM OF SCIENCE AND INDUSTRY," 4 30-second and 2 60-second PSAs, featuring Tiffany Brisette, publicizing Children's I.D. Day, giving parents an opportunity to have their kids videotaped for identification purposes.

"JUST SAY NO," 30-second and 2 10-second PSAs produced for the Los Angeles Department of Recreation and Parks, featuring Dan Schneider, Dan Frischman, Brian Robbins, Steve Williams, Dean Butler, Stacey Okanowski.

"JOB FAIR," 30-second PSA produced for the Los Angeles Urban League.

"GENERIC," 30-second PSA produced for the Los Angeles Urban League.

"EL RESCATE," 2 30-second PSA's, featuring Esai Morales, seeking volunteers and promoting legal aid and social services for Central American refugees.

"SOUTHWEST MUSEUM," reedited 30-second and 60-second PSAs, promoting exhibits, demonstrations and classes at Los Angeles' oldest museum.

"SEAT BELT SAFETY" and "DRIVING UNDER THE INFLUENCE," 2 10-second and 2 30-second PSAs produced for the Los Angeles Chapter of the National Safety Council featuring Claude Akins as the talent.

"FOR KID'S SAKE," 30-second PSA produced for the Children's Art festival.

"WE TIP," 10 PSAs, 4 on welfare fraud, marijuana growers, 6 on "Rock Drug Free, featuring Argentina Rock Star Gustavo Alarco.

"DODGER HOME RUN," 2 30-second PSAs produced featuring Vin and Sandy Scully, for the Exceptional Children's Foundation.

(Fox Ex. 8, pp. 2-9).

81. *PSAs Broadcast by KTTV, March 6, 1986 - November 30, 1988*: A compilation of the local, regional, state and national organizations on whose behalf KTTV broadcast PSAs during the renewal period, and the number of PSA aired for each organization, is provided in Fox Exhibit 8, pp. 10-151.

82. Between March 6 and December 31, 1986, KTTV broadcast 8,008 PSAs (approximately 26 per day), of which approximately 88% ran between 6:00 a.m. and 12:00 midnight. During this period, PSAs were broadcast on behalf of 319 different organizations. In 1987, KTTV broadcast 9,928 PSAs (approximately 27 per day), of which approximately 81% ran between 6:00 a.m. and 12:00 midnight. During 1987, PSAs were broadcast on behalf of 377 different organizations. Between January 1 and November 30, 1988, KTTV broadcast 9,264 PSAs (approximately 27 per day), of which approximately 76% ran between 6:00 a.m. and 12:00 midnight. During this period, PSAs were broadcast on behalf of 336 different organizations. (Fox Ex. 8, pp. 10-151).

Editorials

83. From March 6, to November 28, 1986, KTTV broadcast editorial comments and public responses on a wide range of local issues of concern to viewers in its service area (Fox Ex. 6, p. 1; Tr. 592). KTTV maintained an Editorial Board to administer the editorial process. The Board, which comprised a cross section of the Los Angeles community in terms of race, ethnicity, gender, culture and geography, had responsibility for both the subject matter and content of editorials (Fox Ex. 6, p. 1; Tr. 590-591). Tillman testified that members of the public were included on the Editorial Board because KTTV believed it was important to have input from various segments of the community regarding the selection of topics for editorials (Tr. 590). KTTV's Editorial Director, Program Director and General Manager attended and participated in the Editorial Board's semi-monthly meetings (Fox Ex. 6, p. 1).

84. KTTV's Editorial Director was responsible for initially drafting editorial comments at the direction of the Editorial Board. The Editorial Board then edited the copy, which was ultimately reviewed and edited for purposes of stylistic presentation by KTTV's General Manager. Upon final substantive approval by the Board and stylistic review by the General Manager, editorials were delivered by the General Manager and taped for subsequent broadcast (Tr. 489-490, Fox Ex. 6, p. 1).

85. Station editorials, which were normally 60 to 90 seconds long, depending on the subject matter, were broadcast up to ten times per week (Tr. 591; Fox Ex. 6 p. 1). Responses were encouraged, and were accepted by mail and by telephone. Citizen requests to deliver over-the-air responses were granted if, in the judgment of the Editorial Board, the advocate fairly represented a cross section of the community. Approved responses were aired the same number of times as the original editorial, during the same dayparts (Fox Ex. 6, p. 1).

86. Fox Exhibit 6 contains a comprehensive list of editorials broadcast during the renewal period. The following are representative examples of the editorials included in the exhibit:

CITY OF SANCTUARY

Air Dates: 3/10, 3/11, 3/12, 3/13, 3/14, 3/16, 3/24, 3/25, 3/26, 3/27, 3/28 and 3/29, 1986

Topic: KTTV proposed a change in the federal government's immigration policy towards Guatemalan and Salvadoran nationals living in Los Angeles. The proposal would classify these individuals as political refugees.

"YES" ON PROPOSITION 52

Air Dates: 4/29, 4/30, 5/1, 5/3, 5/5, 5/6, 5/9, and 5/11, 1986

Topic: This editorial endorsed Proposition 52, the County Correctional Facility Capital Expenditure Bond Act of 1986, a funding proposal for the construction and renovation of county prison facilities.

EDUCATION AND THE LOTTERY

Air Dates: 5/12, 5/13, 5/15, 5/16 and 5/17, 1986

Topic: This editorial supported a legislative proposal to allow California lottery proceeds to be used for the construction of new schools and for the purchase of textbooks, computers, and other educational materials.

YES ON PROPOSITION 43

Air Dates: 5/19, 5/21, 5/23, 5/26, 5/27 and 5/28, 1986

Topic: KTTV endorsed a legislative proposal to appropriate funds to the county and city of Los Angeles for the preservation and expansion of parks and recreational facilities.

STOP POISONING OUR CHILDREN

Air Dates: 6/3, 6/5, 6/7, 6/10, 6/11, 6/13 and 6/15, 1986

Topic: KTTV endorsed proposed legislation to create lead screening programs for children who are determined to be at risk for lead poisoning.

THE INNOCENT POOR

Air Dates: 6/3, 6/4, 6/6, 6/9, 6/11 and 6/12, 1986

Topic: KTTV criticized an ordinance enacted by the Los Angeles County Board of Supervisors requiring emergency shelters to fingerprint and photograph all persons utilizing their services who do not possess valid identification.

THE HISPANIC COUNT

Air Dates: 6/4, 6/5, 6/9, 6/10 and 6/13, 1986

Topic: In an effort to guarantee fair representation of the Hispanic and Asian-American communities on the Los Angeles City Council, KTTV proposed that City Council redistricting plans take into account the total population of a given area rather than the total number of registered voters.

AUTO INSURANCE CLAIMS

Air Dates: 6/16, 6/17, 6/19, 6/20, 6/24, 6/25, 6/27 and 6/28, 1986

Topic: KTTV endorsed a proposal to conduct a legislative investigation into the alleged negligence of the California Department of Insurance in regulating insurance companies.

ENGLISH, THE OFFICIAL LANGUAGE

Air Dates: 7/1, 7/2, 7/3, 7/4, 7/7, 7/9, 7/10 and 7/11, 1986

Topic: KTTV opposed a proposed constitutional amendment to make English the official language of California, arguing that the measure could cause further rifts in California's multiracial society.

POLICE GARBAGE FEES

Air Dates: 7/28, 7/29, 7/31, 8/3, 8/4, 8/6, 8/7 and 8/9, 1986

Topic: KTTV opposed a proposal to raise garbage collection fees in order to generate revenue to hire an additional 1500 police officers. KTTV argued that the proposed fee increases were too large and inequitable, in that businesses and residents employing private garbage collection services would not be required to contribute to the funding of added police protection.

PREVENT AIDS NOW

Air Dates: 8/11, 8/12, 8/17, 8/18, 8/20, 8/21, and 8/23, 1986

Topic: Arguing that Acquired Immune Deficiency Syndrome (AIDS) has not been determined to be a communicable disease, KTTV opposed Proposition 64. The measure would define AIDS as a communicable disease, thereby allowing health officials to quarantine people infected with the AIDS virus.

LOS ANGELES COUNTY VOTER REGISTRATION

Air Dates: 8/25, 8/26, 8/28, 8/31, 9/1, 9/2 and 9/3, 1986

Topic: In an anticipation of the upcoming November elections, this editorial endorsed a Los Angeles county voter registration plan mandated by Judge Jack M. Newman. The plan, unless appealed by the Los Angeles County Board of Supervisors, would require the county to solicit voter registrations in any county agency where there is heavy foot traffic.

BILINGUAL IMMERSION

Air Dates: 8/26, 8/27, 8/29, 9/1, 9/4 and 9/5, 1986

Topic: KTTV endorsed an educational program which would allow, on a voluntary basis, both English and Spanish speaking elementary school students to learn primarily in Spanish. The results of a similar program that has been operating in San Diego for the past 10 years indicate that students exit the program with fluency in both Spanish and English and perform well academically.

SAVE THE STREET SCENE

Air Dates: 11/4, 11/5, 11/6, and 11/7, 1986

Topic: In response to the outbreak of violence at the last Los Angeles "Street Scene Festival," this editorial suggested limiting the festival to daylight hours, and employing more security forces. However, the editorial opposed cancelling the Festival or banning beer and wine sales at the Festival.

(Fox Ex. 6, pp. 2-12).

Public Comments: Affidavits and Unsolicited Letters

87. KTTV received thousands of viewer letters each year during the renewal period (Tr. 460-461, 467). All letters from the general public were maintained in the station's public inspection file (Fox Ex. 9, p. 1; Tr. 467-468). Numerous unsolicited letters received during the license term reflect the community's appreciation for KTTV's public affairs, news and public service programming and community involvement (Tr. 595-596). For example, Rainbow's president, Esther Renteria, wrote twice to KTTV on the behalf of the Hispanic Public Relations Association to express her "deepest gratitude and appreciation" for KTTV's support for the Association's annual fundraising event providing scholarships for Hispanic students (Fox Ex. 9, pp. 145, 161). In addition, John Esheveste, Vice President, Telacu, and a 2% non-voting shareholder of Rainbow, wrote to commend KTTV's initiative in hosting a meeting with local community leaders "to discuss community needs, and to share suggestions as to how we can better access public service and news programming at KTTV." (Fox Ex. 9, p. 164).

88. Thirty public witnesses submitted affidavits on behalf of KTTV. The affidavits, prepared with assistance of KTTV's counsel, praised KTTV's community involvement and its public affairs, news and public service programming (Fox Ex. 9, p. 1; Tr. 516, 597). Ten of KTTV's public witnesses were cross-examined, at Rainbow's request, during a field hearing in Los Angeles (Tr. 1356-1518). The written and oral testimony of KTTV's public witnesses, and a representative sample of unsolicited letters placed in KTTV's public inspection file, are summarized below.

Public Witness Affidavits

1. *Affidavit of Nyla Arslania, President of the Hollywood Arts Council.* The Hollywood Arts Council is a not-for-profit organization which promotes the arts in Hollywood. Ms. Arslanian commended KTTV for providing "invaluable assistance to the Council and its Children's Festival of the Arts Project." In addition to writing, producing and broadcasting a "PSA" promoting the Festival, KTTV made copies of the PSA and distributed them to other Los Angeles television stations. Furthermore, KTTV donated the design and printing and assisted in the distribution of 100,000 copies of the Festival's three-language brochure. Ms. Arslanian noted that KTTV's "assistance was instrumental in promoting the Festival in underserved areas of the community." In particular, Ms. Arslanian explained that "KTTV's involvement enabled the Festival to realize its goals of reaching out to minority communities -- especially the Hispanic and Armenian communities -- which would not otherwise have been aware of many of the local cultural activities and opportunities available to them."

PSAs were broadcast on behalf of the Hollywood Arts Council in July 1987 and August 1988 (Fox Ex. 9, pp. 20-21).

2. *Affidavit of Mel Asch, Director of Public Relations of the Greater-Los Angeles Chapter National Safety Council.* Mr. Asch praised KTTV's repeated assistance to the Council, which promotes safety on the streets, highways, home and workplace. Mr. Asch lauded KTTV for being "generous with its resources" in connection with the Council's PSA campaigns. Moreover, Mr. Asch reported that KTTV "is always responsive to our needs" and praised the station's public affairs director as an individual "uniquely dedicated to helping organizations, like the Council, that work to improve the quality of life for the residents of the Los Angeles area."

Representatives of the Greater Los Angeles Chapter of the National Safety Council appeared on KTTV's "Good Day L.A." on October 4, 1986, and June 13, 1987; PSAs were broadcast on behalf of the Council in April 1986 and December 1987 (Fox Ex., 9, pp. 22-24).

3. *Affidavit of Robert Burns, General Manager of the Social Service Department of the City of Los Angeles.* The Department polices the solicitation practices of charitable organizations, with an emphasis on public education. With a small budget, the Department depends on the local media to inform citizens about questionable and fraudulent fundraising practices. Dr. Burns commented that his appearance on KTTV "was an important aspect of our ongoing efforts to educate and inform potential charitable donors in the Los Angeles area."

Dr. Burns appeared on KTTV's "Good Day L.A." on September 13, 1986 (Fox Ex. 9, pp. 25-27).

4. *Affidavit of Lawrence S. Deutchman, Director of Program Development for the Entertainment Industries Council.* The Council is a non-profit organization created and funded by the entertainment industry to heighten public awareness about issues such as substance abuse, drunk driving, automobile safety and AIDS. Mr. Deutchman thanked KTTV for its "very helpful" assistance in educating and informing the public about various safety issues. Mr. Deutchman's appearances on KTTV included discussions of seatbelt use and drunk driving; he stated that "KTTV's assistance enabled the Council to reach a wide audience with its message of automotive safety, which is of great importance in the Los Angeles and southern California areas, whose residents are so dependent on automobiles."

Mr. Deutchman appeared on KTTV's "Good Day L.A." on January 31 and June 13, 1987, and on KTTV's "Speak Out" on May 30, 1987 (Fox Ex. 9, pp. 28-29).

5. *Affidavit of Nancy Rose Dufford, Director of Public Relations for Big Brothers of Greater Los Angeles.* Ms. Dufford thanked KTTV for being "very supportive" of Big Brothers, an organization that matches fatherless boys with adult male volunteers throughout the greater Los Angeles area. Ms. Dufford praised "the station's generous cooperation" as "invaluable to Big Brothers and the young people" it serves.

(a) In a letter dated March 5, 1987, Ms. Dufford thanked KTTV for its support of the organization's Bachelor Auction, which raised nearly \$40,000. She noted that "[i]t was a huge success and that success is largely due to the information you [KTTV] provided to the public"

(b) In a letter dated July 24, 1987, Ms. Dufford thanked KTTV for the station's gift of 50 circus tickets, declaring that KTTV's "special attention and generosity indicates a sensitivity to the growing need for the services Big Brothers offers."

(c) Letter dated September 1, 1987, from Big Brother Volunteer to KTTV, thanking KTTV for the donation of circus tickets.

(d) Letter dated September 1, 1987, from Christopher Ng, "little brother," to KTTV, thanking KTTV for the tickets to the circus.

(e) Letter dated August 11, 1988, from Ms. Dufford to KTTV, thanking KTTV for its gift of 53 complimentary circus tickets.

Big Brothers Volunteers and their "little brothers" appeared on KTTV's "Good Day L.A." on June 7 and 11, 1986, December 6, 1986, and June 20, 1987; PSAs were broadcast on behalf of the organization from March through June 1986, December 1986 through June 1987, and August 1987 through September 1988 (Fox Ex. 9, pp. 30-36).

6. *Affidavit of Marla Gibbs, Founder and Chairman of the Board of Concerned Helpers of Inner Community Endeavors (CHOICE).* CHOICE, an organization that raises funds for a variety of community-based organizations serving the residents of Los Angeles, sponsors an annual gala fundraising event. The proceeds of the event have benefited organizations providing college scholarships and hands-on vocational training for young people, support for AIDS patients, and services for the elderly and homeless. Ms. Gibbs noted that KTTV's promotion of the Spring 1987 event "was crucial to our ability to inform the public about CHOICE and its work and promote that year's benefit."

Ms. Gibbs appeared on KTTV's "Good Day L.A." on January 17, 1987 (Fox Ex. 9, pp. 37-38).

7. *Affidavit of Al Goldfarb, Director of Public Relations for Los Angeles City Recreation and Parks Department.* The Department, whose programs serve all segments of the community, has no promotion budget and a very small public relations staff, and therefore necessarily relies on the public service efforts of the local media to publicize its programs. Mr. Goldfarb commended KTTV for its assistance, observing that "KTTV has truly been a friend to the Department by helping us get our message to the public despite a shortage of funds. The station believes in our Department's programs, and is genuinely concerned about the people they serve." As an example of KTTV's assistance to the Department, Mr. Goldfarb noted that its "Just Say No To Drugs" PSAs -- written, produced and broadcast by KTTV, and distributed free of charge by KTTV to other local stations -- were so successful that the "Department was literally swamped with calls in response to the announcements....KTTV's promotional efforts were a significant contribution to the success of the program...."

(a) In a letter dated June 5, 1986, James Hadaway, General Manager of the Los Angeles City Recreation and Parks Department, thanked KTTV for outstanding public service support of the City's anti-drug campaign, "Just Say No To Drugs." The cooperation of KTTV in "helping get the word out to young

people about the dangers of drug abuse" was noted by Mr. Hadaway: "KTTV-TV has done an exemplary job of communicating the problem to your many young viewers."

"Just Say No To Drugs" PSAs were broadcast on KTTV from May 1986 through November 1987; a Safe Halloween PSA was broadcast in October 1986, and PSAs promoting the Los Angeles Zoo and Observatory appeared from March 1986 through November 1988 (Fox Ex. 9, pp. 39-42).

8. *Affidavit of Eva Hain, Director of Public Information for the Los Angeles Unified School District (LAUSD)*. Ms. Hain explained that the size of LAUSD, with eight hundred schools, often makes it very difficult to publicize effectively its programs and policies. Ms. Hain noted that "KTTV sought to address this problem by devoting considerable time, effort, and airtime to issues important to the LAUSD and its constituents." Ms. Hain lauded KTTV's efforts: "[t]hrough its public affairs programming and public service announcements, as well as its regular news coverage of education issues, KTTV has provided an invaluable service to the LAUSD and to the community we serve."

(a) In a letter dated April 7, 1986, Patricia Prescott Marshall, Administrative Coordinator for LAUSD, wrote to thank KTTV for airing "CHOICES '86." Ms. Marshall stated, "[b]ecause of your station's cooperation, many more parents in the community had an opportunity to view the show with their children and to learn about the [available] educational options"

LAUSD PSAs were broadcast on KTTV from September 1986 through November 1988; LAUSD officials appeared on KTTV's "Midday Sunday" in October 1987; a special, "CHOICES," produced by LAUSD, was broadcast by KTTV on March 15 and 19, 1986, March 14, 1987, and March 20, 1988 (Fox Ex. 9, pp. 43-46).

9. *Affidavit of Daniel Hernandez, Executive Director of the Hollenbeck Police Business Council (HPBC)*. HPBC, which is affiliated with the Los Angeles Police Department, addressed youth problems, with a particular emphasis on the East Los Angeles community. Mr. Hernandez noted that "KTTV responded with great enthusiasm to HPBC's requests for assistance." KTTV's PSAs for HPBC's annual fundraising dinner -- both English and Spanish versions -- were written, produced and broadcast by KTTV, which also distributed them, free of charge, to other area stations. Mr. Hernandez stated that "[t]he substantial success of this fundraiser, which benefitted the HPBC's youth center programs, would not have been achieved without KTTV's promotional efforts." Under cross-examination, Mr. Hernandez emphasized that KTTV's technical assistance, and its help in getting members of the Los Angeles Dodgers, including manager Tommy Lasorda, to appear in the PSAs was "terrific." Mr. Hernandez explained that "coming from a neighborhood that really doesn't deal with corporate America, to me, that was something that a person went out of their way to do" (Tr. 1452).

(a) Letter dated February 12, 1987, from Daniel Hernandez to KTTV, thanking KTTV for its efforts to make its 1987 fundraiser a success. Mr.

Hernandez stated that "[t]he 1987 Dodger Salute; indeed, all our fundraisers, could never reach successful culminations without YOU. YOU are recognized by me as being an extremely vital resource of the Hollenbeck Youth Center -- a true, hard-working and dedicated FRIEND!"

PSAs were broadcast in support of the Council in February 1987 (Fox Ex. 9, p. 47-48; Tr. 1452).

10. *Affidavit of Diane Jacoby, Executive Director of El Rescate*. El Rescate provides a wide range of legal and social services to Central American refugees in the greater Los Angeles area. KTTV's creation, production, broadcast and distribution of PSAs was praised by Ms. Jacoby as providing "crucial support for El Rescate's activities." Ms. Jacoby also appreciated the time that KTTV's public affairs director took to teach El Rescate how to write and produce its own PSAs. Ms. Jacoby stated: "In short, by reaching out to our organization, KTTV enabled El Rescate better to serve the needs of our community's Central American refugees."

(a) Letter dated September 12, 1988, from Ms. Jacoby to KTTV thanking the station for writing, producing and broadcasting PSAs, as well as for proving "a lesson on PSAs."

PSAs describing El Rescate's activities and soliciting volunteers were broadcast on KTTV in September, October and November 1988 (Fox Ex. 9, p. 50-52; Tr. 1426).

11. *Affidavit of Willie Jordan, President of the Fred Jordan Mission*. The Mission serves the homeless by providing food and shelter, targets programs for women and children, and provides education and information services on subjects such as AIDS and child abuse. Ms. Jordan and her late husband, the founder of the Mission, "were very grateful" for the opportunity to appear on KTTV to discuss their efforts on behalf of the homeless. Ms. Jordan lauded the station's interviewer, who "transmitted his excitement about our activities to his viewers" Ms. Jordan observed that "KTTV viewers were particularly responsive to our request for warm clothing and blankets, so that our appearance was very helpful for the people we serve."

Ms. Jordan and her husband appeared on KTTV's "Good Day L.A." on February 7, 1987 (Fox Ex. 9, pp. 53-54).

12. *Affidavit of Gwen Kirk, Acting Public Information Officer for the Los Angeles County Department of Children's Services (DCS)*. DCS provides Los Angeles area children with protective services, foster care and adoption placement. DCS is "deeply appreciative" of KTTV's assistance in promoting and publicizing DCS's activities, particularly because "[h]igh levels of public awareness and community involvement are critical to the success of DCS's activities." In particular, Ms. Kirk cited the "Eleven's Kids" segments broadcast on KTTV, which introduced KTTV viewers to children eligible for adoption, particularly hard to place children, and resulted in an extremely high adoption rate. Other assistance noted by Ms. Kirk as examples of "KTTV's ongoing commitment to inform viewers about children in need of adoption" were the station's writing, producing and broadcast of a PSA promoting DCS's Black Adoptions Festival, and its news coverage of that event. Ms. Kirk observed that "[s]upport and cooperation such as

that provided by KTTV was of crucial help to the Department's success in providing adoptive homes for the children under our care."

(a) In a letter dated May 20, 1987, Wini Jackson, Community Affairs Officer, DCS, wrote to thank KTTV with "great appreciation" for publicizing the Black Adoption Festival, which, with KTTV's help, resulted in over 350 persons meeting children available for adoption. Ms. Jackson noted: "It took your media outreach, combined with our Department's information to put the message out there in a tasteful and precious manner. Together, you and the Department . . . are the Public Relations Team for these children."

Approximately 15 "Eleven's Kids" segments were broadcast on KTTV's "Good Day L.A." from June 1986 through August 1987 (Fox Ex. 9, p. 55-58).

13. *Affidavit of Kats Kunitsugu, Executive Secretary of the Japanese-American Cultural and Community Center (JACCC)*. Ms. Kunitsugu praised the "effective assistance from KTTV" on behalf of JACCC, and for "Nisei Week" a summer festival celebrating Japanese culture and heritage. Ms. Kunitsugu noted the "great cooperation from the station in publicizing" Nisei Week, as well as the PSA written, produced and edited by KTTV's public affairs director for JACCC's classes in traditional Japanese music and culture. Ms. Kunitsugu explained that the PSAs "received heavy play over KTTV" and were so "tremendously successful in generating interest in our classes" that JACCC's classes were oversubscribed.

Ms. Kunitsugu appeared on KTTV's "Good Day L.A." on August 2, 1986; PSAs publicizing JACCC's classes in traditional Japanese culture were broadcast in November 1986 (Fox Ex. 9, pp. 59-60).

14. *Affidavit of Lorraine Lawrence, Regional Director of Public Affairs for the United States Consumer Product Safety Commission (CPSC)*. Ms. Lawrence observed that "KTTV enthusiastically supported the CPSC's efforts to promote product safety in the Los Angeles area." Her television appearances on KTTV "greatly enhanced my ability to effectively inform the community about potentially dangerous consumer product," Ms. Lawrence reported. Ms. Lawrence also appreciated that "KTTV took the initiative in promoting consumer product safety" and characterized KTTV's production of a PSA as "just one example of the ongoing collaborative relationship that I enjoyed with KTTV and that resulted in increased community awareness of the issue of product safety."

(a) In a letter dated August 27, 1987, Ms. Lawrence expressed her gratitude to KTTV for producing a PSA on safety for older consumers. Ms. Lawrence added that "CPSC is fortunate to work with you."

Ms. Lawrence appeared on KTTV's "Good Day L.A." in November 1987, and on KTTV's "Midday Sunday" in January 1988; PSAs regarding home safety for senior citizens were broadcast on KTTV between October 1987 and August 1988 (Fox Ex. 9, pp. 61-63).

15. *Affidavit of Dr. Elaine Leader, Program Coordinator for Teen Line*. Teen Line, affiliated with Cedars-Sinai Medical Center, provides counseling and referrals for young people seeking help and support, and distributes information on suicide and drug abuse prevention. Dr.

Leader credited the PSA produced and edited by, and "prominently featured" on KTTV, as "instrumental in getting Teen Line's message to young people in the Los Angeles area." Dr. Leader concluded: "We know from routine follow up by our teen 'listeners' that many of the young people seeking help from Teen Line learned of it from the announcements broadcast over KTTV."

(a) Letter dated January 27, 1987, from Dr. Leader to KTTV, thanking the station for "all the effort you have expended in taping a public service announcement for TEEN LINE." Dr. Leader stated, "[y]our interest and concern for high quality production has really made the difference for the achievement of an excellent result."

(b) Letter dated February 19, 1987, from Terry Lipton, President, Board of Directors, and Dr. Leader, to KTTV, thanking the station for the production of a new PSA.

In January 1987, KTTV produced, edited and broadcast a PSA publicizing Teen Line, and prominently featured on KTTV a PSA featuring Teen Line volunteers in February, June, September and October 1987, and March 1988 (Fox Ex. 9, pp. 64-67).

16. *Affidavit of Judy Lewis, Executive Director of the "Make a Wish" Foundation*. The "Make a Wish Foundation" works with Los Angeles area medical centers to grant the wishes of children suffering from life-threatening illnesses. Ms. Lewis credited her appearance on KTTV promoting the Foundation's celebrity tennis benefit with contributing to its success.

Ms. Lewis appeared on KTTV's "Good Day L.A." on May 2, 1987 to discuss Make a Wish Foundation and the tennis benefit (Fox Ex. 9, pp. 68-69).

17. *Affidavit of Meg McDonald, proprietor of McDonald Media Services, a public relations service for a number of Los Angeles non-profit community organizations*. Ms. McDonald commended KTTV for its "generous support" on behalf of the Los Angeles County Fair through appearances of Fair representatives on KTTV: "KTTV's efforts on behalf of the Fair were crucial to its ability to generate interest among the residents of Los Angeles and southern California."

Fair Representative Leonard Harper, along with a 4-H Club member and her pet lamb, appeared on KTTV's "Good Day L.A." on September 13, 1986. On September 20, 1986, Fair Representative Sid Robinson and another 4-H Club member with her seeing eye dog appeared on "Good Day L.A." On August 29, 1987, Sid Robinson appeared on "Good Day L.A." to discuss the Fair and on September 5, 1987, Fair Exhibits Manager Nadine Lowery was a guest on "Good Day L.A." (Fox Ex. 9, pp. 70-72).

18. *Affidavit of Jackie Moffett, Board Member of the Festival of Arts of Laguna Beach*. The Festival is a non-profit organization that fosters the performing and visual arts in southern California. Ms. Moffett, citing to appearances on KTTV, stated that "KTTV's interest in our activities and its willingness to provide a vehicle for us to promote them were an important part of the success of the Festival and are very much appreciated."

(a) In a letter dated September 1986, Sally Reeve, Public Relations Director, Festival of Arts of Laguna Beach, wrote to thank KTTV for publicizing the Festival through the broadcast of PSAs, and stated that the station's efforts "helped to make our season a grand success."

On July 26, 1986, Jack Archer, the Festival's Director of Exhibits, appeared on KTTV's "Good Day L.A."; on July 4, 1987, Ms. Moffett appeared on "Good Day L.A." to discuss the Festival and Pageant (Fox Ex. 9, pp. 73-75).

19. *Affidavit of Jan Napolitan, Co-Chair of "Art for Fun's Sake" Sponsored by the Palos Verdes Community Art Association.* The Association, a non-profit organization that works to enrich the cultural life of the community, sponsors an annual fine arts and craft show as its principal fundraising vehicle. Ms. Napolitan's appearance on KTTV was "very helpful" in generating public awareness of, and interest in, the Association's activities. Ms. Napolitan observed that "[w]e heard from KTTV viewers from as far away as San Diego and received many calls from Los Angeles area residents seeking information about the festival and expressing an interest in attending."

Ms. Napolitan and Maudette Ball, the Executive Director of the Association, appeared on KTTV's "Good Day L.A." on October 11, 1986, to discuss the upcoming "Art for Fun's Sake" festival (Fox Ex. 9, pp. 76-77).

20. *Affidavit of Carlton Norris, Manager of Community Affairs for ARCO, and of "Save the Books" Campaign (the Campaign), Co-sponsored by ARCO and the City of Los Angeles.* The Campaign's goal is to rebuild the collection of the Los Angeles City Central Library in the aftermath of a disastrous fire. Mr. Morris praised the opportunity to appear on KTTV to promote the Campaign and noted that "[a]pppearances such as this were a valuable part of our efforts to attract not only major institutional support, but also contributions from individual donors."

Mr. Norris and Betty Gay, Director of the Los Angeles City Central Library, appeared on KTTV's "Good Day L.A." on November 29, 1986, to discuss the library fire and promote the Campaign (Fox Ex. 9, pp. 78-79).

21. *Affidavit of John Ochoa, Executive Director of the Greater Los Angeles Partnership for the Homeless.* The Partnership is a coalition of corporate, business, and community leaders working to eradicate homelessness in the Los Angeles area. KTTV and the Partnership collaborated in the development of a 3-hour prime time special designed to raise public awareness about homelessness. Mr. Ochoa explained that "KTTV produced, promoted and broadcast the program entirely at its own expense, thereby allowing the Partnership to distribute all of the proceeds [\$138,000 in viewer donations] to seven local organizations that combat homelessness in the Los Angeles area." Mr. Ochoa praised KTTV's "willingness to provide this kind of leadership and support" and remarked that "KTTV's efforts positively affected the lives of many homeless people in the Los Angeles area."

(a) In a letter dated January 10, 1989, Mr. Ochoa expressed the Partnership's "heartfelt and enthusiastic gratitude" for the time, resources, and energy expended by KTTV in the development of "No Home for the Holidays."

Throughout 1988, KTTV developed, in collaboration with the Partnership, a 3-hour prime-time special, "No Home For The Holidays" (Fox Ex. 9, pp. 80-82; Tr. 544-546, 554).

22. *Affidavit of Stacy Okonowsky, former President of SHO BIZ Productions, a marketing firm specializing in community promotional events and fundraising.* Ms. Okonowsky praised KTTV's production and broadcast of PSAs benefiting the Los Angeles Blind Children's Center and the "Just Say No Youth Program of the Los Angeles City Department of Recreation and Parks. According to Ms. Okonowsky, "KTTV's involvement was integral to the substantial success enjoyed by" these events.

PSAs were produced, broadcast and distributed by KTTV in August, 1987, promoting the "Just Say No" Celebrity Auction; in March 1987, KTTV produced and broadcast PSAs promoting the Tom Sullivan St. Patrick's Day 10K Run to benefit for the Los Angeles Blind Children's Center (Fox Ex. 9, pp. 83-84).

23. *Affidavit of Christie Palmer, Public Relations Director of the Crippled Children's Society (the Society), and past President of Women in Show Business, a Los Angeles charitable organization.* Ms. Palmer acknowledged the on-air promotion for fundraising activities provided by KTTV to these two organizations. Ms. Palmer cited to the production of PSAs by KTTV, which not only broadcast the spots, but also made copies for other area television stations. The Society, which provides educational, therapeutic and rehabilitative services for disabled adults and children in the Los Angeles area, and Women in Show Business, which sponsors a Celebrity Ball to raise funds to provide reconstructive and restorative surgery for needy children, have virtually no public relations budget, and therefore, Ms. Palmer explained, must depend on the generosity and support of local media. Ms. Palmer stated that "[w]ithout cooperation and assistance such as that provided by KTTV, our efforts to generate community support for our activities would have been severely limited."

(a) In a letter dated January 26, 1987, Ms. Palmer thanked KTTV for the donation of production time and facilities to tape PSAs for the "World's Greatest Working Truck Show," benefiting the Crippled Children's Society. Ms. Palmer wrote that "[t]here aren't enough good words to describe the wonderful cooperation and treatment we received from [KTTV's public service director], who arranged the session for us, re-wrote my over-long script and pulled it all together, professionally and with great patience."

PSAs publicizing the Society's annual benefit were broadcast on KTTV in April and May 1986; in January 1987, KTTV produced three new PSAs for the Society's 1987 benefit which aired in March and April 1987; PSAs promoting the Women in Show Business Celebrity Ball were produced by KTTV in August and September 1986 and broadcast by KTTV in October 1986 (Fox Ex. 9, pp. 85-87).

24. *Affidavit of Joanne Perry, Co-Chair of the annual "Showcast House of Design" of the Claremont, California, Auxiliary of the Children's Home Society.* The Society, through auxiliaries, raises funds to provide a variety of services for children, and the Claremont Auxiliary pro-

vides funds for services including foster care, adoptions, parental counseling and sex education. With a very limited budget for promotion and publicity, Ms. Perry noted, the Society relies heavily on the generosity of local media to inform the public about its activities. Ms. Perry credited the Society's appearance on KTTV, "which reaches so many southern California residents," as "an important contribution to the success of that year's event"

On May 2, 1987, Ms. Perry and her co-chair appeared on KTTV's "Good Day L.A." to promote the Society's 1987 "Showcase House of Design" benefit (Fox Ex. 9, pp. 88-89).

25. *Affidavit of Domingo Rodriquez, Program Administrator of the Adult ESL and Amnesty Citizenship Program of the Los Angeles Unified School District (LAUSD)*. LAUSD provides citizenship preparation and other educational services for individuals applying for permanent residency. Mr. Rodriquez stated that "[t]he success of our programs has been due in large part to outreach conducted over KTTV and other local television stations."

On June 5, 1988, Mr. Rodriquez appeared on KTTV's "Mid-Day Sunday" to discuss amnesty and LAUSD's citizenship programs (Fox Ex. 9, pp. 90-91).

26. *Affidavit of Carol Selkin, Public Relations Coordinator of the Southwest Museum*. The Museum, the oldest in Los Angeles County, houses Native American art and artifacts. Ms. Selkin praised KTTV's "crucial assistance" to the Museum, citing to the production of PSAs, for which "KTTV donated the services of an announcer, as well as production facilities and time...." Ms. Selkin reported that "[t]hese public service announcements resulted in new awareness of the Museum and its activities, as reflected in the numerous telephone inquiries we received from KTTV viewers."

(a) In a letter dated October 10, 1988, Ms. Selkin expressed great appreciation for KTTV's assistance in the production and broadcast of the new PSAs. Ms. Selkin noted that "[t]he best part is the response -- Immediately after you [KTTV] began running the spots, members + friends began reporting seeing it, and about 6-10 calls a day began coming in to our offices."

PSAs promoting the Museum's 80th birthday festivities were produced by KTTV and broadcast over the station from August through November 1988 (Fox Ex. 9, pp. 92-94).

27. *Affidavit of Suzanne Swanson, Director of Development for the Exceptional Children's Foundation (ECF)*. ECF provides services to the developmentally disabled in Los Angeles County, with a large percentage of low-income and Hispanic beneficiaries. Ms. Swanson stated that "KTTV provided outstanding assistance and support for our fundraising activities." Ms. Swanson cited to KTTV's writing, production and heavy broadcast of a PSA promoting ECF's Dodgers Family Run, and KTTV's additional assistance by sponsoring and manning a booth at the event which supplied gifts to the children in attendance. Ms. Swanson observed that "[w]ithout KTTV's involvement, we could not have hoped for such an outstanding result."

PSAs promoting the "Dodgers Home Run 5K, 10K, and 1 Mile Family Run" were written, produced and broadcast by KTTV between Spring and September 1988; at the

September 1988 Run, KTTV sponsored and manned a booth which supplied gifts to children (Fox Ex. 9, pp. 95-96).

28. *Affidavit of Stephanie Tombrello, Executive Director of the Los Angeles Area Child Passenger Safety Association (LAACPSA)*. LAACPSA is a source of information, education and training, and program development and evaluation on child passenger safety and injury prevention. Ms. Tombrello complimented KTTV for its production of "three excellent public service announcements" promoting an annual Walkathon which generates public awareness on the issue of child safety. The PSAs featured a KTTV newscaster, who also participated in the opening ceremonies for the 1986 and 1987 Walkathons. Ms. Tombrello reported that "[d]uring both years, the messages generated a flood of calls from KTTV viewers, who telephoned with questions both about the Walkathon and about our services." Ms. Tombrello also appreciated KTTV's production of PSAs promoting the Safe Ride Helpline, noting that "[e]veryone at the station was extremely helpful to the young children who 'starred' in our announcements, and worked hard to make sure that the PSAs presented our message effectively." Ms. Tombrello concluded that "KTTV was enthusiastically responsive" and that the "television exposure provided by KTTV was among the most effective of all that LAACPSA received."

(a) In letters dated June 3, 1987, Ms. Tombrello thanked KTTV for its assistance to the SafetyBeltSafeSM Walkathon, noting that the contribution of KTTV "is indisputable." Ms. Tombrello also commended KTTV's "special effort" to schedule the Walkathon PSAs: "We certainly were informed of your success as a flood of telephone calls reached our office."

(b) In a letter dated November 1, 1987, Gayle Weiner and Janice West Seaman of Weiner/Seaman Productions, thanked KTTV for its "public spirited gesture" of writing, producing, directing and placing BUCKLEBEAR^R PSAs.

(c) In a letter dated November 6, 1987, Ms. Tombrello thanked KTTV for the station's production of PSAs for LAACPSA's Safe Ride Helpline. Ms. Tombrello wrote that the Association was "very pleased" that KTTV produced the PSA "since we do not have the funds to have professional quality videos made for our organization."

PSAs promoting LAACPSA's SafetyBeltSafeSM Walkathon were produced by KTTV and broadcast in April and May 1986 and in April and May 1987; PSAs promoting LAACPSA's BUCKLEBEAR^R Safe Ride Helpline were produced by KTTV and broadcast from October 1987 through April 1988 (Fox Ex. 9, pp. 97-105).

29. *Affidavit from Tanya Tull, Executive Director of the Los Angeles Family Housing Corporation (LAFHC)*. This non-profit corporation develops temporary and emergency housing facilities and permanent housing, and provides support services, for homeless families in the Los Angeles area. Ms. Tull commended "KTTV's efforts to focus public attention on the problem of homelessness," which "played a critical role in the success enjoyed by LAFHC" and associated local shelters. Ms. Tull explained that KTTV had contacted her "in an effort to gain a better understanding of how their station would most effectively lend its support

to efforts to alleviate the problem of homelessness in Los Angeles" and that together, "we formulated a plan that resulted in the involvement of numerous community housing advocates in a KTTV effort to raise public awareness" about homelessness. Ms. Tull cited to KTTV's writing, production and editing of eleven PSAs and its planning and developing of a special program, "No Home for the Holidays."

PSAs designed to inform viewers about local shelters for homeless families were produced by KTTV and broadcast over KTTV from January through April 1988 (Fox Ex. 9, pp. 106-107).

30. *Affidavit of Larry Vanderveen, Founder and Board Chairman of the National Leukemia Broadcast Council (NLBC)*. NLBC raises funds for leukemia research through broadcast events, with the proceeds benefitting the Leukemia Society of America. Mr. Vanderveen expressed NLBC's gratitude for KTTV's broadcast, in 1986 and 1987, at no charge for airtime, of the organization's annual telethon, as well as its production of promotional spots, which were used all over the country. Mr. Vanderveen noted that the telethon "has been an indispensable fundraising tool for our organization, and we are grateful for KTTV's assistance and support."

(a) In a letter dated June 12, 1986, Jon Ross, Executive Director, National Leukemia Broadcast Council, stated that NLBC is "very grateful" to KTTV for its "generosity" in broadcasting NLBC's annual telethon.

In June 1986 and August 1987, KTTV broadcast NLBC's annual telethon; during the summer of 1986, KTTV furnished facilities and materials for the production of promotional spots for the telethon (Fox Ex. 9, pp. 108-109).

Unsolicited Letters from the KTTV Public File

89. In addition to the affidavits described above, the following paragraphs describe a representative sample of the unsolicited letters received by KTTV during the license term.

1. In a letter dated March 31, 1986, Marion B. Collins, Principal of the Los Angeles Unified School District's Center for Enriched Studies -- Los Angeles, praised KTTV for its two-part news report on "Magnet Schools -- 9 Years Later." Ms. Collins stated that, while she had "always been impressed" with KTTV's news coverage, she wished "to express her extra appreciation" for the Magnet Schools story, which she found "informative, well focused, beautifully edited and extremely positive." She expressed the gratitude of her staff and parents for KTTV's efforts "to 'strike a little blow' on behalf of public education." (Fox Ex. 9, p. 112).

2. In a May 14, 1986 letter, Marjorie K. Diamond thanked KTTV for its news coverage of the "Remembrance Day of the Holocaust" ceremony. Ms. Diamond praised the "most courteous and interested" staff of KTTV, and thanked the news crew "for their courtesy and the respectful way they handled the evening." She wrote that KTTV "certainly deserves the praise and respect that it has earned." (Fox Ex. 9, p. 113).

3. In a June 23, 1986 letter, the President, Executive Director and Public Relations officer of the Alisa Ann Ruch Burn Foundation thanked KTTV for producing and airing the Foundation's burn-prevention PSAs. The authors wrote that the PSAs "have had a real impact on the viewing audience," and that "[w]hen our phone lines light up, we know a psa has aired." They expressed their "pleasure" at "working with KTTV's highly competent and caring personnel," and noted that the Foundation's Annual Report "thanks KTTV for their major contribution to burn prevention education." (Fox Ex. 9, p. 114).

4. In a letter dated July 14, 1986, Norma Flynn, Director, Publicity and Promotion of the Los Angeles Philharmonic Association, thanked KTTV for producing "two excellent public service spots" for the Association. Ms. Flynn stated: "As you can well imagine, we do not have a budget to produce our own spots. Because of your generosity, we will be able to bring attention to our very important program for young people . . . as well as to our subscription campaign for our winter season . . ." On behalf of the Association, Ms. Flynn expressed her appreciation for "the support, interest and good will of your creative and technical staff . . ." (Fox Ex. 9, p. 115).

5. In a letter dated August 11, 1986, Patricia A. Murphy wrote on behalf of Canine Companions for Independence to thank KTTV for its "prompt attention to [the organization's] last minute request for a story" about a missing canine companion. Ms. Murphy wrote "[w]e heartily appreciate your interest and subsequent interview of our program participant . . . and her Canine Companion . . ." (Fox Ex. 9, p. 116).

6. In an August 12, 1986 letter, John G. Ouellet, President, YMCA of Metropolitan Los Angeles, thanked KTTV for its "marvelous editorial" on behalf of the YMCA. Mr. Ouellet noted that the station's "position is sincerely appreciated by all affiliated with the YMCA . . ." (Fox Ex. 9, p. 117).

7. In a letter dated August 15, 1986, Jackie Tatum wrote on behalf of the Los Angeles City Recreation and Parks Department to express the Department's appreciation from KTTV's "wonderful coverage" of its 1986 Lotus Festival. Ms. Tatum wrote, "It is always a pleasure working with your station and staff," and noted that "[e]veryone is always very professional and cooperative." (Fox Ex. 9, p. 118).

8. In a letter dated August 21, 1986, Robert H. Heinbaugh, Executive Director of the Shanti Foundation, wrote to express the Foundation's "appreciation to the management, the production crew and to all the people who contributed to the Shanti public service announcement." Mr. Heinbaugh noted that the station's efforts enabled the Foundation to "reach out as we haven't been able to do previously" and expressed the Shanti Foundation's gratitude to KTTV's Public Affairs Director "for your commitment to the Los Angeles community." (Fox Ex. 9, p. 119).

9. In a letter dated October 10, 1986, Clarann J. Goldring, President, Los Angeles County Branch Orton Dyslexia Society, thanked KTTV's Director for

the station's assistance in the production and airing of a PSA for the Society. Ms. Goldring reported that "[e]ach time this 1 minute tape is aired, we receive 15 to 30 calls at our office," and emphasized that, "without you, we would not be able to reach the public." (Fox Ex. 9, p. 120).

10. In a letter dated October 20, 1986, KDAY(AM) General Manager Ed Kerby thanked KTTV's News Director, station staff and management "for the tremendous amount of support" the station provided to KDAY's "Day of Peace" activities promoting alternatives to illegal street gang activity (Fox Ex. 9, p. 121).

11. In a letter dated October 24, 1986, Kevin Sites and Kathye Murphy wrote on behalf of the Career Planning Center to thank KTTV for its assistance in taping a PSA for the Center's annual Women's Employment Options Conference. Noting that "the advance television exposure helped to make the event a wonderful success," Mr. Sites and Ms. Murphy thanked the station for its "commitment and dedication to community service organizations" like the Center (Fox Ex. 9, p. 122).

12. In an October 29, 1986 letter, Carole Dorsey, Executive Director, Claremont, Chamber of Commerce, thanked KTTV for featuring the Chamber's Village Venture Day Street Faire in its public service time. Ms. Dorsey wrote that the Chamber was "most appreciative of your assistance in making Village Venture Day a successful community event." (Fox Ex. 9, p. 123).

13. In a November 4, 1986 letter, Orange County Sheriff-Coroner Brad Gates thanked KTTV for airing his Department's recruitment PSA seeking applicants for deputy sheriff positions. Mr. Gates noted the "phenomenal response" generated by the PSA, which "ran exclusively on KTTV," and reported that it enabled the Department to fill 200 deputy positions. Sheriff-Coroner Gates enthusiastically praised "the tremendous help Fox Television has provided the Orange County Sheriff's Department in its recruitment efforts." (Fox Ex. 9, p. 124).

14. In a November 19, 1986 letter, Paul Gann, Chairman, California Fair Pay Amendment, thanked KTTV for its "generous allocation of air time for the *Yes on Proposition 61* Campaign." Mr. Gann praised the station's "dedication to keeping the public informed on matters critical to its future and best interests." (Fox Ex. 9, p. 125).

15. In a November 19, 1986 letter, Frank Booth wrote on behalf of Los Angeles City College to thank KTTV for its help in publicizing its Special Educational Homebound Program. Mr. Booth noted that the station's assistance "resulted in full enrollment in our program." He praised the station for its "awareness and understanding," which he emphasized made KTTV and its staff "a valuable asset to this community." (Fox Ex. 9, p. 126).

16. In a January 11, 1987 letter, Ronald R. Arias and Jamie M. Wesson, of the America Lung Association of Los Angeles County, thanked KTTV for providing free public service time throughout 1986. The au-

thors noted that, by airing the Association's PSAs, KTTV had assisted in highlighting several issues of concern to the Association (Fox Ex. 9, p. 127).

17. In a January 20, 1987 letter, Erica Reiter wrote on behalf of Para Los Ninos to thank KTTV for a donation of toys to be distributed during the holiday season to the children of skid row and the central city of Los Angeles. Ms. Reiter praised KTTV for its assistance at a time when the organization's survival was dependent on private sector support (Fox Ex. 9, p. 128).

18. In a letter dated February 3, 1987, the Los Angeles County Public Library's Literacy Librarian, Josephine Dix, wrote to express her appreciation for KTTV's "generosity" in "donating time, staff and materials to promote" the Library's Literacy Hotline. Ms. Dix wrote that she was "impressed" by the station staff's "friendliness and professionalism" (Fox Ex. 9, p. 129).

19. In a letter dated February 11, 1987, Enid Awad and Natalie Shore, of the Client Assistance Program, wrote to express their "heartfelt thanks" for KTTV's airing of the Program's PSA. They enthusiastically reported that, since the PSA began airing on KTTV, new callers to the Program increased from eight to 50 per month. Ms. Awad and Ms. Shore emphasized KTTV's "tremendous service" to the disabled community, many of whom "really didn't know where to turn, or that the services they needed even existed." (Fox Ex. 9, p. 130).

20. In a February 17, 1987, Don H. Muchmore, Executive Vice President of the California Museum Foundation and Director of the California Museum of Science and Industry, expressed his "most sincere appreciation" for KTTV'S "excellent coverage" of the Museum's commemorative program on the anniversary of the Challenger explosion. He reported that the station's coverage "brought an enormous number of people to the Museum . . ." Mr. Muchmore noted that, although KTTV had "always been very kind" to the Museum, "in this particular case you were even more kind and helpful and we are most appreciative." (Fox Ex. 9, p. 131).

21. In a March 12, 1987 letter, George L. Pla and Norene Zapanta, of the USC Mexican American Alumni Association, thanked KTTV for its support of the Association's annual scholarship dinner, benefiting Hispanic students. They noted that "[t]here is no doubt that the success of this event is due in large part to the assistance received from people like you." (Fox Ex. 9, p. 132).

22. In a March 18, 1987 letter, Eddie Albert, Dinner Co-Chair, Para Los Ninos Annual Dinner Carnival, thanked KTTV for its "generous contribution" to the Carnival, noting that the evening was "a huge success" and that KTTV's support "will enable PARA LOS NINOS to continue to provide valuable services to the disadvantaged in downtown Los Angeles" (Fox Ex. 9, p. 133).

23. In a letter dated March 26, 1987, Clarann Goldring and Arline Glasser, Los Angeles County Branch, Orton Dyslexia Society, expressed their deep appreciation for KTTV's "extremely supportive" assistance in airing PSAs for the Society. They re-

ported that "[w]e continue to receive a great response every time our message is seen on your station." (Fox Ex. 9, p. 134).

24. In an April 1, 1987 letter, Jacob Edelman, Public Affairs Director of Bet Tzedek Legal Services, expressed "deep gratitude" to the station for a PSA taped at KTTV. He noted that the organization, which provides free legal services, is "especially grateful for your station's generosity in producing the PSA at no cost, because the expense of producing one on our own would be prohibitive given our budget constraints." Mr. Edelman also observed that "[i]n past years, we knew instantly whenever a PSA of ours ran on your station, because of the very dramatic surge in telephone inquiries that would result" (Fox Ex. 9, p. 135).

25. In an April 9, 1987 letter, Eddy Tanaka, County of Los Angeles Department of Public Social Services, thanked KTTV for its "cooperation and assistance" in airing on short notice a PSA publicizing the "critical need we have for bilingual Spanish-speaking staff who provide social services to the public." Mr. Tanaka reported that "the response was excellent from potential job candidates who either saw or heard about the announcement aired by your station." (Fox Ex. 9, p. 136).

26. In an April 10, 1987 letter, Charles Alexander and Lorraine Wilson, American Diabetes Foundation, Southern California Affiliate, expressed their thanks and appreciation for the "outstanding public service announcements your station provided for our benefit concert," which was a "huge success" and helped raise funds for diabetes research and services (Fox Ex. 9, p. 137).

27. In an April 14, 1987 letter, Peter Drake, Hollywood Chamber of Commerce, thanked KTTV for producing a PSA for the Third Annual Hollywood Business Expo. Mr. Drake reported that "[e]veryone from the KTTV staff was very pleasant and helpful" and believed the PSA "will help us a great deal in stimulating public awareness of this important event." (Fox Ex. 9, p. 138).

28. In a letter dated May 4, 1987, Marion Genensky, Center for the Partially Sighted, thanked KTTV for airing PSAs promoting the free visual screenings and low vision examinations offered by the Center. Ms. Genensky stated that "[w]e have received several calls of inquiry from partially sighted persons who have heard of our services on KTTV. Some of these people did not know of the services we offer until viewing the PSA on KTTV" (Fox Ex. 9, p. 139).

29. In a May 14, 1987 letter, Timothy Burke, Hollywood Studio Museum, thanked KTTV "for the incredible support that we are receiving from you with the airplay of our" PSA. Mr. Burke wrote that since the PSA "started airing, our attendance figures have shown an increase, and the number of telephone inquiries because of seeing the spot on your station have been unbelievable!" (Fox Ex. 9, p. 140).

30. In a May 18, 1987 letter, Robert Heinbaugh, Executive Director of Shanti Foundation, thanked KTTV for providing a PSA that "has been extremely effective in attracting new volunteers as well as in-

forming the community about one more resource available in the struggle of AIDS." (Fox Ex. 9, p. 141).

31. In a letter dated May 20, 1987, Richard Martinez, City of Anaheim Police Department, thanked KTTV for airing a drug prevention PSA. Mr. Martinez reported that "[w]e have seen the video on your station, and many of the students that we speak to . . . tell us that they continue to see this" PSA. Officer Martinez noted that, during presentations at area schools, he "encourage[d] students to look for the video on your station." (Fox Ex. 9, p. 142).

32. In a June 5, 1987 letter, W. R. Rose, General Manager, Ramona Pageant Association, wrote to "express our gratitude for your wonderful cooperation and donation of air time to inform the public of the 60th season of the Ramona Outdoor Play" and for "conveying the message of Ramona to thousands of people." (Fox Ex. 9, p. 143).

33. In a July 7, 1987 letter, Robin Shine, Para Los Ninos Carnival, expressed appreciation to KTTV for producing and broadcasting PSAs for the Carnival, purchasing dinner tickets for the event, and giving "your time, advising us on how to approach and obtain support from others." (Fox Ex. 9, p. 144).

34. In a July 21, 1987 letter, Esther Renteria, President, Hispanic Public Relations Association (HPRA), expressed to KTTV the "deepest gratitude and appreciation for your participation and for your generous support" for the 10th Annual Latino Athletes of the Year Awards, which raises funds for scholarships for Hispanic students in the areas of communications, journalism, public relations, broadcasting and theatre arts. Ms. Renteria stated that "[w]e are pleased to report that because of your generosity, this year's proceeds, which totaled more than \$8,000 will enable HPRA to continue providing scholarships to Latino students." (Fox Ex. 9, p. 145).

35. In a letter dated July 21, 1987, Judith Alban, Jewish Big Brothers Association, thanked KTTV for donating circus passes to permit "[a] lot of kids" to "have a wonderful outing with their big brothers." (Fox Ex. 9, p. 146).

36. In a July 27, 1987 letter, Dana Tkac, Para Los Ninos, extended a "personal thank you for thinking of us with your generous gift of 50 tickets" to the circus (Fox Ex. 9, p. 147).

37. In an August 4, 1987 letter, Alyssum Long, representing ICAN Associates, which raises funds to support the Los Angeles County Inter-Agency Council on Child Abuse and Neglect, thanked KTTV for broadcasting a PSA concerning child abuse. The letter also expressed appreciation for information provided by KTTV "regarding your need for spots for children," and observed that "[i]t is much easier for us to create materials that are useful when we have some feedback from people such as you." (Fox Ex. 9, p. 148).

38. In a letter dated August 31, 1987, Beckie Moore Flati, American Cancer Society, thanked KTTV for airing a new PSA publicizing the dangers of smokeless tobacco (Fox Ex. 9, p. 149).

39. In a September 29, 1987 letter, Elma La Pointe and Bob Mizrahi, Miramonte Elementary School, thanked KTTV for "caring about the education of our boys and girls" by creating a special "Cartoon Clock Watch" to remind children watching morning cartoons that it was time to go to school. The letter noted that KTTV "was the only one in the television media to return my call and answer my letter" concerning the problem of tardiness and absenteeism. The School had been recognized by the Los Angeles County Office of Education for having the best attendance motivation program for 1986, and the authors acknowledged KTTV's assistance as "most unique and a major factor in our school being selected for this honor." (Fox Ex. 9, pp. 150-151).

40. In a letter dated November 4, 1987, Rolando Atiga, Filipino-Americans for Democracy in the Philippines, thanked KTTV for news coverage of the "Congress for the Restoration of Democracy in the Philippines" and expressed "appreciation of your position toward unbiased and responsive journalism." (Fox Ex. 9, p. 152).

41. In a November 11, 1987 letter, Carmen Ulmer, March of Dimes, Southern California, commended KTTV for its assistance and support in editing and duplicating a series of PSAs on alcohol awareness (Fox Ex. 9, p. 153).

42. In a December 17, 1987 letter, Linda Crismond, Los Angeles County Public Library, thanked KTTV for giving the Library's literacy program "a very precious gift: public service air time." Ms. Crismond expressed special appreciation for KTTV's "production and distribution of the excellent PSA featuring our referral librarian." Ms. Crismond reported that the referral librarians "have answered thousands of literacy calls since you began publicizing this local 800 number." (Fox Ex. 9, p. 154).

43. In a letter dated December 23, 1987, Nancy Bianconi, Valley Shelter, Inc., thanked KTTV for supporting Valley Shelter and its residents, noting that the fundraising event featuring stars of "21 Jump Street" "not only produced financial support, but also made the community more aware of the increasing homeless problem." Ms. Bianconi stated, "I must commend KTTV for being a forerunner in helping to alleviate homelessness." (Fox Ex. 9, p. 155).

44. In a letter dated March 15, 1988, Vera Davis, Low Income Elderly United-Community Assistance Program, wrote the KTTV to "wholeheartedly thank you for your support and contributions in assisting us," reporting that the "video helped us in establishing general public awareness, information, fundraising and public relations campaign." (Fox Ex. 9, p. 156).

45. In a March 22, 1988 letter, Barbara Rodriguez, Los Angeles Music and Art School, wrote on behalf of the board of the non-profit school to express "our deepest appreciation" to KTTV for its broadcast of a PSA. Ms. Rodriguez remarked that "[o]ver the past six months enrollment has increased dramatically. Daily inquiries as to what we do here are over-

whelming! Never in the forty-four year history of the music school has anything had such a dramatic impact." (Fox Ex. 9, p. 157).

46. In a March 23, 1988 letter, Margo Morales, Community Development Commission, County of Los Angeles, thanked KTTV for helping inform the public about the Commission's Rental Rehabilitation Program. Ms. Morales observed that "[s]ince you began airing the . . . PSA last fall program inquiries have greatly increased" thereby enabling the provision of additional safe rental units for low-income families (Fox Ex. 9, p. 158).

47. In a letter dated April 6, 1988, Marie Gonzales, Hispanic Women's Council, thanked KTTV for its contribution to the Council and commended KTTV's "commitment to the community." (Fox Ex. 9, p. 159).

48. In a June 2, 1988 letter, Victor Contreras, Hispanic Academy of Media Arts and Sciences, wrote to "extend sincere and heartfelt appreciation" for KTTV's help in producing "HAMAS 88, The Pitch," as well as for the station's generous monetary contribution to the non-profit organization. Mr. Contreras remarked that the program, which promoted Hispanic/American talent, received "extremely positive" feedback (Fox Ex. 9, p. 160).

49. In a letter dated June 9, 1988, Esther Renteria, President, Hispanic Public Relations Association (HPRA), expressed "our deepest gratitude and appreciation" for the station's "generous support" of the Eleventh Annual Latino Athletes of the Year Awards. Ms. Renteria reported that the year's proceeds of over \$12,000 would enable HPRA to continue providing scholarships to Latino students (Fox Ex. 9, p. 161).

50. In a June 13, 1988 letter, Ivan Houston, President, Golden State Minority Foundation, thanked KTTV for participating in the "Salute to Minority Education" Dinner, commending KTTV for helping "make the affair a resounding success" and noting that the fund raiser generated over \$150,000 for outstanding and deserving minority students (Fox Ex. 9, p. 162).

51. In a June 30, 1988 letter, Beckie Moore Flati, American Cancer Society, wrote to say how "thrilled" she was when, while viewing KTTV, she discovered that the placement of the Society's "Smokeless Tobacco" PSA was "in with the children's programming . . . right at our target audience." Ms. Flati noted that this assistance "is just one example . . . of the great support we get" from the station (Fox Ex. 9, p. 163).

52. In a July 5, 1988 letter, John Esheveste, Telacu, wrote to express a "big thank you" to KTTV's public affairs director for hosting a meeting with local community organization representatives. Mr. Esheveste stated that "[w]e appreciate your initiative in bringing us together to discuss community needs, and to share suggestions as to how we can better access public service and news programming at KTTV." (FOX Ex. 9, p. 164).

53. In a letter dated July 6, 1988, Gail Christensen, Coalition for Pet Population Control, wrote to KTTV to "express my deepest thanks to you for the terrific

exposure you gave us during our campaign" which resulted in over 7500 calls to the Coalition's hotline to control overpopulation (Fox Ex. 9, p. 165).

54. In a August 31, 1988 letter, Harry Snyder, Director, West Coast Regional Office, Consumers Union of U.S., thanked KTTV "for providing a forum for Consumers Union to express its views on . . . the retail credit bill."

55. In a letter dated October 24, 1988, Lynn Harvey thanked a KTTV news reporter for his "valuable visit" to her Belmont High School class to speak about careers in broadcasting (Fox Ex. 9, p. 167).

56. In a November 22, 1988 letter, Bea Colgan, Big Brothers of Greater Los Angeles, expressed "[m]any, many thanks" for KTTV's donation of 150 copies of Tommy LaSorda's book, which Ms. Colgan assured "will be very much appreciated by the recipients at the Big Brothers annual Christmas party." (Fox Ex. 9, p. 168).

57. In a letter dated January 9, 1989, Jeffrey Rudolph, Managing Director, California Museum of Science and Industry, thanked KTTV and enclosed a copy of a letter of appreciation, dated January 4, 1989, to Barry Diller. Mr. Rudolph's letters noted that KTTV "has been especially effective reaching into Black, Hispanic, Asian and other communities that we serve with outreach programs" and that KTTV's public affairs director's "obviously strong ties with ethnic community organizations played a major role in the success" of "Children's ID Day," which was developed and hosted by KTTV. Mr. Rudolph reported that KTTV "did a tremendous job organizing and publicizing the program and videotaping and fingerprinting more than 2500 children in one day." Mr. Rudolph also commended KTTV for its production of a series of PSAs for the Museum that "caused our State Board members to burst into spontaneous applause after viewing them." Mr. Rudolph added that the station "did a great job and made a significant contribution to the success of our summer." (Fox Ex. 9, pp. 169-170).

Community Outreach Activities

90. During the renewal period KTTV not only addressed the ascertained problems and needs of its community through its broadcast programming, but also responded to those problems and needs through its participation in, and support for, community activities in its service area. KTTV took an active role in public service initiatives regarding child safety and homelessness; in addition, the station sponsored fundraising and cultural events, and station personnel donated their time to various community organizations.

91. *Children's I.D. Day*: KTTV conceived, planned and executed a major public service initiative, "Children's I.D. Day," in the Spring of 1988. The event took place on the grounds of the California Museum of Science and Industry, located in the area that is frequently the scene of gang violence. The station's objective was to bring together various segments of the community on neutral turf in a common community endeavor. Recognizing that the safety of their children was a particularly important concern of parents in this community, KTTV proposed to give parents an opportunity to have their children videotaped and

fingerprinted for security purposes, at no charge, in a fair-like atmosphere. "Children's I.D. Day," on April 16, 1988, was the result (Fox Ex. 11, p. 1).

92. KTTV coordinated the entire event, making arrangements with the Museum for use of its grounds, securing video equipment and volunteer technicians, and enlisting the assistance of several local, county and state agencies in the identification process. Entertainment was provided, and free literature on child safety related topics was distributed. KTTV also produced and broadcast PSAs for the event (Fox Ex. 11, p. 2).

93. "Children's I.D. Day" brought together Hispanics, Blacks, whites and Asians -- including youths wearing rival gang colors. In addition to providing a valuable service for local residents, the event enabled neighbors to see that they shared common aspirations for their children. By the end of the day, approximately 2,500 children between the ages of 3 months and 18 years had been videotaped and fingerprinted. "Children's I.D. Day" also helped to generate increased interest in the Museum, which recorded its biggest single-day attendance figure all Spring (Fox Ex. 11, p. 2).

94. KTTV subsequently worked with KMEX, a Spanish-language television station, to organize a "Children's I.D. Day" for residents of East Los Angeles. KTTV co-sponsored and broadcast public service announcements for the event, which took place on October 29, 1988. A total of 952 children took part (Fox Ex. 11, p. 2).

95. *No Home for the Holidays*: During the 1988 holiday season, KTTV was instrumental in the success of a major public service undertaking to assist the Los Angeles homeless population and the agencies serving them. The station collaborated with the Greater Los Angeles Partnership for the Homeless in organizing and presenting a fundraising effort to help the homeless. Ultimately, a three-hour prime time program, called "No Home for the Holidays," was developed to call attention to the plight of the homeless and to solicit viewer contributions to six local shelters for homeless families (Fox Ex. 11, p. 3).

96. "No Home for the Holidays" was broadcast over KTTV on December 21, 1988. KTTV Program Director Don Tillman testified that the development of the program actually began in 1987, when KTTV "brought together a number of representatives of various homeless organizations from around the city of Los Angeles." (Tr. 544). The various organizations coalesced around a "cohesive plan" in early 1988, at which time it was decided to produce a program to raise funds for the homeless (Tr. 545).

97. Tillman explained that the station "wanted to make sure that every single penny we raised . . . went directly to the homeless, . . . and it took the better part of that year to develop, put everyone in place and get the Partnership to agree to handle the administration at no cost." (Tr. 545). The program was ultimately scheduled near Christmas, "when people were in the spirit of giving" (Tr. 546).

98. News and production crews were shooting material for inclusion in the show prior to November 30, 1988 (Tr. 554). KTTV relied on the Partnership's expertise to collect and present information regarding the problem of homelessness, and to identify recipients of viewer contributions. The station produced the program at its own expense, donating air time, studio and production facilities and personnel, to enable the Partnership to distribute all the funds collected to the recipient organizations (Fox Ex. 11, p. 3).

99. *Other Community Event Sponsorships:* During the renewal period, KTTV also participated as a sponsor of local community events, including the following:

KTTV was one of the sponsors of the "8th Annual Tom Sullivan St. Patrick's Day 10K Run" in March 1987. The race benefited The Blind Children's Center in Los Angeles.

KTTV was one of the sponsors of the annual "Children's Festival of the Arts," a weekend celebration featuring arts and crafts and entertainment for children, in August 1987 and 1988. The station paid for the design, production and printing of 100,000 copies of the 3-language brochures promoting the Festival, which was especially designed to reach out to the Hispanic and Armenian communities.

KTTV sponsored the annual Hollywood Open Golf Tournament in August 1986, 1987 and 1988. The tournament raised funds for the Hollywood Presbyterian Medical Center. The station underwrote the costs of the benefit and provided entertainment for the annual banquet. In addition, the station's Program Director was a member of the tournament's organizing committee.

100. *Community Involvement by KTTV Employees:* During the renewal period, KTTV encouraged its employees to be involved in the community, and station employees offered their services and expertise on behalf of community organizations (Tr. 603; Fox Ex. 11, p. 4). Representative examples of the community activities of station staff include the following:

KTTV's Program Director and Public Affairs Director participated in panel discussions about public service programming during workshops sponsored by the Southern California Broadcasters Association. The seminars, which took place each October during the renewal period, helped non-profit organizations learn about getting PSA, programming and news time on local television stations.

KTTV News reporter Donna Deaner-Bryce participated as spokeswoman and in the opening ceremonies of the SafetyBeltSafe Walkathon sponsored by the Los Angeles Area Child Passenger Safety Association in the Spring of 1986 and 1987.

KTTV News reporter Chris Harris was master of ceremonies for "A Celebration of the Advances in Diagnosis, Treatment and Research," presented by The Glendale-Burbank Chapter of Parkinson's Support Groups of America in April 1986.

KTTV News producer Dana Millikin participated in a panel discussion on careers in media as part of the annual Orange County Community College Journalism Day in April 1986.

KTTV News reporter Tony Valdez was a guest instructor for the California Chicano News Media Association's second annual Broadcast Journalism Workshop in June 1986.

Sam Benson, KTTV's Cable Relations Director, addressed students at Alta Loma High School about career opportunities in the media in May 1987.

KTTV Personnel Director Karen Hori participated in a panel as part of a program on careers in media presented by the Asian American Journalists Association in September 1987.

(Fox Ex. 11, pp. 4-5).

101. In addition, during the renewal period KTTV's Program Director participated in local community organizations in various capacities, including as Chairman of the Hollywood Chamber of Commerce, and as a member of the Hollywood Presbyterian Medical Center Foundation Board and the Board of Advisors for the Department of Radio and Television at California State University at Long Beach. KTTV's Public Affairs Director also participated in community organizations during the renewal period, including as a member of the media committees of the Los Angeles Chapter of the March of Dimes, the Los Angeles County Commission on Drug Abuse, and the Los Angeles County Human Relations Commission, and as a member of the Boards of Directors of Mother Against Drunk Driving, St. Anne's Maternity Home and Teen Canteen (Fox Ex. 11, pp. 5-6).

Awards & Honors

102. During the renewal period KTTV received awards both for its programming and for its broadcast and non-broadcast involvement in various activities in its community of license. The awards received by KTTV during the renewal period are listed below, along with a description of the award, where appropriate.

103. *Los Angeles Area Emmy Awards:* Emmy Awards are presented annually, on both a local and a national basis, by the Academy of Television Arts and Sciences. Emmys are awarded to recognize distinguished contributions in television broadcasting, programming and production (Fox Ex. 10, p. 1).

104. Tillman, who during the license term was a governor of the Academy of Television Arts and Sciences in Los Angeles, explained that two panels evaluate stations' submissions for awards -- the first to select nominees, the second to determine the award winners (Tr. 499). The panels include only judges from outside of Los Angeles (Tr. 502, 578). Tillman explained that daily newscasts, which are automatically eligible for consideration for the "Best Newscast" award, are the only program category not subject to this procedure (Tr. 500).

105. KTTV received the following local Emmy awards and nominations for programs broadcast between March 6, 1986, and December 31, 1986.

Winner, Spot News Same Day Breaking Story: "Cerritos Crash Special Report," August 31, 1986.

Winner, Children/Youth Independent Stations: "Have You Ever Wondered?" (series).

Winner, Film/Tape Editors of Hart News Programs: Scott Pfeiffer, "Trail of Greed, Trail of Death," November 14, 1986.

Winner, Camera Crew -- News Features: Marcie Cowlshaw, "Killer Cones," The 8 O'Clock News, August 13, 1986.

Nominee, News Special: "Trail of Greed, Trail of Death, November 14, 1986.

Nominee, Hosts/Moderators -- Specials: "1986 Academy Awards Weekend," December 22-23, 1986.

Nominee, Sports Series: Los Angeles Dodgers Baseball.

Nominee, Directors of Unedited Programs -- Non-News: Mark Wolfson, "Los Angeles Dodgers Baseball," August 13, 1986.

(Fox Ex. 10, pp. 1-2).

106. KTTV received the following local Emmy awards and nominations for programs broadcast between January 1, 1987, and December 31, 1987:

Winner, Regularly Scheduled Daily News Programs: "Fox News at 10."

Winner, Children/Youth Series -- Independent Stations: "Dr. Science."

Winner, Live Sports Coverage, "L.A. Dodgers Baseball."

Winner, Directors of Unedited Programs -- Non-News: Mark Wolfson, "Los Angeles Dodgers Baseball."

Winner, Camera Crew -- Hard News Breaking Story: Marcie C. Donovan, Racist Riot, "Fox News at 10," November 22, 1987.

Winner, Outstanding Achievement in Sound Mixing: Ken Teaney, "The Brain (Dr. Science)," October 24, 1987.

Winner, Outstanding Achievement in Music Composition: Rick Krizman, "Dr. Science."

Nominee, News Special: "What's Killing The Children?" December 21, 1987. This program was also one of 17 National Finalists, Chosen from over 200 entries, in the National Emmy Awards Competition for 1987.

Nominee, Investigative Reporting: "Death in the Orange County Jail," "Fox News at 10," September 25, October 19, November 2-5, 1987.

Nominee, Mini-Docs: "Dose of Deception," "The 8 O'Clock News," June 22-24, 29, 30, 1987.

Nominee, Spot News -- Same Day Breaking Story: Brush Fire, "Fox News at 10," September 10, 1987.

Nominee, Public Affairs Series -- Independent Stations: "Midday Sunday."

Nominee, Children/Youth Series -- Independent Stations: "Have You Ever Wondered?"

Nominee, Children/Youth Special -- Independent Stations: "What's the Matter With Parents Today?" (For Kids' Sake) December 28, 1987.

Nominee, Special Events: "1987 Tournament of Roses Parade," January 1, 1987.

Nominee, Sports Special: "25 Anniversary of Dodger Stadium," February 28, 1987.

Nominee, Hosts/Moderators -- Specials: Janet Zappala, Bill Redeker, "What's Killing The Children?" December 21, 1987.

Nominee, Directors of Unedited Programs -- News: Bill Finlay, "Pope John Paul II Pre-Liturgy & Mass at Dodger Stadium," September 16, 1987.

Nominee, Directors of Unedited Programs -- Non-News: Mark Wolfson, "1987 Tournament of Roses Parade," January 1, 1987.

Nominee, Film/Tape Editors of News Features: Jay Ankeney, "What's Killing The Children?" December 21, 1987.

Nominee, Camera Crew -- News Features: Marcie C. Donovan, "What's Killing the Children?" December 21, 1987.

(Fox Ex. 10, pp. 2-4).

107. KTTV received the following local Emmy awards and nominations for programming broadcast between January 1, 1988, and November 30, 1988:

Winner, News commentary: Eric Burns, "Last Temptation of Christ/E.T.," "Fox News at 10," October 19, 1988.

Winner, Special Events: "Emmy Awards Preview," August 28, 1988.

Winner, Live Sports Coverage: "Los Angeles Dodgers Baseball."

Nominee, Public Affairs Series (Studio-Based): "Midday Sunday."

Nominee, Mini-Docs: "No Place Like Home," "Fox News at 10," November 16-19, 1988.

Nominee, Special Events: "1988 Rose Parade," January 1, 1988.

Nominee, Sports Special: "The Dodgers . . . Rise to the Top," October 3, 1988.

Nominee, Host/Moderators -- Series: Greg Wyatt, Rick Monday, "1988 Dodgers Central."

Nominee, Directors of Unedited Programs -- Non-News: Mark Wolfson, "L.A. Dodgers Baseball."

Nominee, Film/Tape Editors of News Features: Jay Ankeney, "The RFK Story," June 6, 1988.

(Fox Ex. 10, p. 4).

108. *Angel Awards*: The Angel Awards are presented annually by Excellence in Media, an interreligious organization celebrating positive messages in media. The Awards are presented in recognition of positive media images. (Fox Ex. 10, p. 5).

109. KTTV received the following Angel Awards for programming broadcast between March 6, 1986, and November 30, 1988:

1987 Angel Award, Local TV: News Special, "What's Killing the Children?" This 30-minute special report investigated the high incidence of Cancer among the children of McFarland, California, a small farming community in the San Joaquin Valley. It was broadcast on December 21, 1987.

1988 Angel Award, Local TV: "Prom Night," a series of 30-second public service announcements encouraging young people not to drink and drive during their Prom Night celebrations. The spots ran in rotation throughout May 1988.

1988 Angel Award, Local TV: "The R.F.K. Story," a 30-minute special report examining the circumstances surrounding the assassination of Senator Robert F. Kennedy, presented to commemorate the twentieth anniversary of his death. The program was broadcast on June 6, 1988.

(Fox Ex. 10, p. 5).

110. *Golden Mike Awards*: The Golden Mike Awards are presented annually by the Radio and Television News Directors Association, in recognition of individual contributions to excellence in radio and television news coverage in the Southern California area (Fox Ex. 10, p. 6).

111. KTTV received the following Golden Mike Awards for programming broadcast between March 6, 1986, and November 30, 1988.

1987 Golden Mike Award, Best Documentary, for "Trail of Greed, Trail of Death," a KTTV News special investigating the importation of illegal drugs from Mexico to the United States, broadcast on November 14, 1986.

1987 Golden Mike Award, Best Specialized Segment, for "Troubleshooter," a regular KTTV News advocacy segment that investigated and remedied consumer and other complaints on behalf of residents of the station's service area. "Troubleshooter" segments were broadcast periodically during the renewal period.

(Fox Ex. 10, p. 6).

112. *Greater Los Angeles Press Club Journalism Awards*: Awards for significant contributions to local news coverage are presented annually by the Greater Los Angeles Press Club. KTTV received the following Journalism Awards from the Los Angeles Press Club for programming broadcast between March 6, 1986, and November 30, 1988:

1987 Certificate of Excellence, Newscast under 60 minutes, for "The 8 O'Clock News."

1987 Certificate of Excellence, Investigative Reporting. KTTV was the first award recipient in the thirty year history of the Press Club Awards to be honored for the overall excellence of all its entries in the Investigative Reporting category, rather than with a just one individual award. In all, five KTTV investigative series were honored as collectively and individually "outstanding."

(Fox Ex. 10, p. 7.)

113. *Other Awards*: In addition to the programming awards enumerated above, KTTV was the recipient of awards recognizing its service to the Los Angeles community during the renewal period. These awards included the following:

1986 Award of Appreciation presented by the Orange County Sheriff's Department

1986 Distinguished Public Service and Support award, presented by the City of Los Angeles Board of Recreation and Parks Commissioners

1986 Commendation, presented by the City of Los Angeles for work with the Los Angeles County Department of Children's Services Adoption Division

1986 Certificate of Appreciation, presented by Disabilities Awareness Committee of Southern California

1986 Service Award, presented by the Cystic Fibrosis Foundation

1986 Certificate of Appreciation, presented by Los Angeles Mothers Against Drunk Driving (MADD)

1986 Telethon Appreciation Award, presented by United Cerebral Palsy

1987 "Charlie Award," presented by the Hollywood Arts Council in recognition of KTTV's sponsorship and promotion of the Council's annual "Children's Festival of the Arts." KTTV provided printed materials for the festival and produced, free of charge, a broadcast public service announcement promoting the event

1987 Award of Appreciation, presented by Alicia Ann Ruch Burn Foundation

1987 Certificate of Appreciation, presented by the Los Angeles Police Department (LAPD)

1987 Certificate of Appreciation, presented by the Crippled Children's Society

1987 Award of Appreciation, presented by Naval Sea Cadets

1987 Award for ongoing support, presented by the Hollenbeck Youth Center

1987 Certificate of Merit, presented by the National Committee for Films on Safety

1987 Certificate of Appreciation, presented by the Los Angeles County Public Library

1987 Recognition from the Pasadena-Foothill Urban League

1988 Appreciation Award, presented by Goodwill

1988 Commendation Award, Presented by the NAB

(Fox Ex. 10, pp. 7-8).

Rainbow Broadcasting, Inc.

Description of the Applicant

114. Rainbow Broadcasting, Inc., a California corporation, was incorporated on September 30, 1988, by Esther Renteria. Rainbow's Articles of Incorporation authorize the issuance of 10,000 shares, of which 5,000 are Class A Voting Common Stock and 5,000 are Class B Non-voting Common Stock (Rainbow Ex. 1, p. 1).

115. The officers, directors and voting stockholders of Rainbow are:

Name	Position	Voting Stock and Percentage of Total Equity Ownership
Esther Renteria	President, director	1500 shares VS/ 15% equity
Alex Nogales	Vice president, director	1100 shares VS/ 11% equity
Grace Castro Nagata	Vice president,	1200 shares VS/ 12%
Fernando Del Rio	Secretary/ Treasurer, director	1000 shares VS/ 10% equity
Evelyn Fierro	Vice president, director	200 shares VS/ 2% equity

(Rainbow Ex. 1, p. 1).

116. The owners of Rainbow's non-voting stock are:

Name	Non-voting Stock and Percentage of Total Equity Ownership
Joe Sanchez	1000 shares NVS/10% equity
Bruno Ledwin	650 shares NVS/6.5% equity
Rosemarie Vasquez	200 shares NVS/2% equity
Mary Salinas Duron	500 shares NVS/5% equity
John Echeveste	100 shares NVS/1% equity
Ana Barbosa	1100 shares NVS/11% equity
Alycia Enciso	100 shares NVS/1% equity
David Lizarraga	1000 shares NVS/10% equity
Martha Yaeger	100 shares NVS/1% equity
Alicia Moisa	250 shares NVS/2.5% equity

(Rainbow Ex. 1, p. 2).

Diversification

117. Other than its pending application for a construction permit for a new television station on Channel 11, Los Angeles, California, neither Rainbow nor its voting shareholders hold any attributable media interests (Rainbow Ex. 7, p. 1). Rainbow's proposed integrated voting shareholder Grace Castro Nagata has pledged to resign her employment as Director of Marketing at KSKQ(AM/FM), Los Angeles, upon grant of the construction permit to Rainbow (Rainbow Ex. 7, Attachment D).

Integration

118. Rainbow claims 50 percent quantitative integration credit for its proposal to integrate its five voting shareholders into the full-time management of its television station (Integration and Diversification Statement of Rainbow Broadcasting, Inc., dated November 9, 1990, at 1). Rainbow emphasized that it "does not seek to extrapolate the full-time management pledges of its voting shareholders into 100 percent integration credit." (*Id.* at 1-2 (footnote omitted)).

119. *Esther Renteria*, a 30 percent voting shareholder in Rainbow, proposes to devote a minimum of 40 hours per week to the position of President and General Manager of Rainbow's television station (Rainbow Ex. 2, p. 5). In that capacity, she will determine budgets, sign contracts and supervise the station's personnel director, its engineering staff and its legal affairs. Renteria will have ultimate authority with respect to all matters of station personnel and policy (Rainbow Ex. 2, p. 6).

120. Renteria has resided within the city-grade contour of Rainbow's proposed television station since 1939 (Rainbow Ex. 2, p. 1). She was employed as desk editor/newswriter at KNX(AM), Los Angeles, from 1968-1969, as an associate producer and series moderator at KCET(TV), Los Angeles, from 1969-1970, and as associate producer at KNXT(TV), Los Angeles, from 1970-1974. She was a consultant to KNXT(TV) from 1979-1982 (Rainbow Ex. 2, p. 4). Renteria is an Hispanic female (Rainbow Ex. 2, p. 1).

121. Renteria has been active in community affairs for more than 30 years. She was a founder of and is currently Chair of the National Hispanic Media Coalition, on whose steering committee she has served since 1986. *Id.* She was a member of the Board of Directors of the Bilingual Foundation of the Arts of Los Angeles. *Id.* She was a member of the "16th of September Festival Committee" Executive Board from approximately 1977 to 1985. *Id.* She was a founding member in 1984 and the first woman president (1986 to 1988) of the Hispanic Public Relations Association, of which she is still a member. *Id.* at 1-2. She is a former Secretary (1986 to 1988) of the Hispanic Academy of Media Arts and Sciences, Hollywood Chapter, of which she has been a member since 1985. *Id.* at 2. Since 1989, she has been a member of the Latina Advisory Council of Big Sisters of Los Angeles. *Id.* Since 1984, she has been a member of the Latin Business Association. *Id.* She is the only individual who has served for more than 10 years as a member of the East Los Angeles State Service Center Advisory Council (1963 to 1975). *Id.* From 1964 to 1968, she was a member of both the Plaza de la Raza Cultural Center's Board of Directors and also the East Los Angeles Regional Occupational Center's Advisory Council. *Id.* From 1974 to 1985, she was Publicity Director of the 16th of September Festival and 16th of September Parade. She is still Public Relations Director for the Parade. *Id.* In 1980, she served as Publicity Director for the Governor's Chicano Issues Conference, Los Angeles. *Id.* From 1961 to 1965, she was a member of the Education Commission of the Los Angeles County Commission on *Id.*

122. In August 1987, Renteria was selected by *Hispanic Business* magazine as one of the 100 Most Influential Hispanic Leaders in the United States. *Id.* In September 1987, she was honored to be one of the communications and entertainment industry leaders invited to meet with Pope John Paul II on his visit to Los Angeles. *Id.* In June 1987, she was honored by *Hispanic U.S.A.* magazine as one of the Top 100 Hispanic Women in Communications in the United States. *Id.* In 1985, she was given awards by the Los Angeles County Parks and Recreation Department for 11 years of distinguished civic service and also by Los Angeles Mayor Tom Bradley for contributions to the City of Los Angeles. *Id.* at 2-3. In September 1981, she received an award from the Los Angeles City Bicentennial Committee for significant contributions to the city. *Id.* at 3. In 1981, the LA County Library System presented her with an award in recognition of her work on "Anthony Quinn Day." *Id.* In March 1980, she received an "Honorary Membership award from Chicanos for Creative Medicine and again in May 1983 that group cited her for outstanding contributions. *Id.* In June 1981, she also was honored by the East Los Angeles College Student Body for service to them. *Id.* In September 1979, she was given an award for "outstanding service" by the Los Angeles "Sixteenth of September Festival" Committee. *Id.* In May 1978, she was given an award by the Los Angeles Eastside Sports Associ-

ation for "services rendered to the community sharing information vital to its citizens." *Id.* In November 1974, she was named as the "Professional Person of the Month" by the East Los Angeles Community Union for outstanding contributions to the community. *Id.* In November 1975, she was honored by the Los Angeles County Parks and Recreation Department for assisting them to improve programming in the East Los Angeles area. *Id.* In February 1973, she was honored by the Los Angeles County Probation Department for "assistance in efforts to enrich and reinforce probation programs through community involvement." *Id.* In February 1972, she won the Silver Spur (Espuela de Plata) Award from "Nosotros" President Ricardo Montalban as an outstanding image-maker in the Hispanic community for the weekly TV series, "The Siesta is Over." *Id.* at 3-4. In 1970 and 1972, that series was nominated for Emmy Awards in its category. *Id.* at 4. She also served in 1972 as a member of the Los Angeles County Commission on Police and Mexican-American Community Relations. *Id.* In January 1964, she was presented with the Outstanding Journalistic Achievement Award by East Los Angeles College in recognition of her "in-depth coverage of the Mexican-American Community and the school dropout problem." *Id.*

123. *Alex Nogales*, a 22 percent voting shareholder in Rainbow, proposes to devote a minimum of 40 hours per week to the position of Rainbow's Vice President of Programming (Rainbow Ex. 4, p. 4). In that capacity, he will have primary responsibility and supervisory authority for all programming matters, except for the station's non-entertainment programming (Rainbow Ex. 3, p. 4).

124. *Nogales* has resided within the service area of Rainbow's proposed television station since approximately 1964 (Rainbow Ex. 3, p. 1). He was employed as a senior producer at KCBS-TV, Los Angeles, from 1978-1990. Between 1971 and 1978, he was employed as a television and film writer, producer and director (Rainbow Ex. 3, pp. 2-3). *Nogales* is Hispanic (Rainbow Ex. 3, p. 1).

125. From 1985 until 1989, he was a member of the Hispanic Academy of Media Arts and Sciences, Hollywood Chapter. *Id.* He was vice president of the Hollywood Chapter from 1985 to 1987 and president from 1987 to 1989. *Id.* Since 1986, he has been Vice Chair and a member of the Steering Committee of the National Hispanic Media Coalition. *Id.* Since 1989, he has been a member of the Alliance of Hispanic Media Professionals. *Id.* Since 1990, he has been a member of the Latin Business Association. *Id.*

126. *Grace Castro Nagata*, a 24 percent voting shareholder in Rainbow, proposes to devote a minimum of 40 hours per week to the position of Rainbow's Vice President-Sales (Rainbow Ex. 4, p. 4). In this capacity, she will determine policy for and will oversee the station's sales and traffic departments, and will directly supervise the station's general sales manager, national sales manager and local sales manager (Rainbow Ex. 4, p. 4).

127. *Nagata* has resided within the service area of Rainbow's proposed television station for approximately fifty years (Rainbow Ex. 4, p. 1). Since July 1986 she has been employed as Director of Marketing at KSKQ(AM/FM), Los Angeles. She was employed as an account executive at KALI Radio from 1981-1986, and as Manager of Community Broadcast Services at KCBS-TV, Los Angeles, from 1977-1979 (Rainbow Ex. 4, pp. 2-3). *Nagata* is an Hispanic female (Rainbow Ex. 4, p. 1)

128. From approximately 1972 to 1980, she was a member of the California Association of Latins in Broadcasting (CALIB); she was CALIB's vice president in 1974. *Id.* From approximately 1976 to 1978, she was a member of Women in Communications, LA Chapter. *Id.* From 1975 to 1977, she was a member of the National Organization for Women. *Id.* From approximately 1970 to 1972, she was a member of the Hispanic Women's Council of Los Angeles and served on its Advisory Committee from 1971 to 1972. *Id.* In 1984, she served as a member of the Citizens Advisory Commission of the Los Angeles World Olympics. *Id.* Since 1982, she has been a member of the Asian Pacific Women's Network (APWN) and served on the Board of Directors for four years; she served as Fundraising Chair for two of those years. *Id.*

129. *Fernando Del Rio*, a 20 percent voting shareholder in Rainbow, proposes to devote a minimum of 40 hours per week to the position of Rainbow's Director of Public Affairs Programming and Community Relations (Rainbow Ex. 5, p. 3). In that capacity, he will have primary responsibility for determining policy and for supervising the station's public affairs programming and community relations efforts. He will also supervise the station's editorial director and its broadcast of public service announcements (Rainbow Ex. 5, p. 3).

130. *Del Rio* has resided within the service area of Rainbow's proposed television station continuously since 1970. Prior to 1970, he resided within the service area from 1932-1950, 1954-1957, 1959-1961 and 1963-1968 (Rainbow Ex. 5, p. 1). Between 1970 and 1990 he was employed as Vice President/Public Affairs and Editorial Director at KCAL-TV, Los Angeles (Rainbow Ex. 5, p. 2). *Del Rio* is Hispanic (Rainbow Ex. 5, p. 1).

131. His community involvement in the Los Angeles area includes the following:

Professional Organizations:

- American Federation of Television and Radio Artists (AFTRA) - Member 1970 to present
- Greater Los Angeles Press Club - Member 1986 to present
- National Broadcast Editorial Association - Member 1978 to 1990
- Radio and Television News Association - Member 1987 to present
- Hispanic Public Relations Association - Member 1988 to present

Community Organizations:

- Southern Christian Leadership Conference - Member 1979 to present
- Public Counsel, Inc. - Board member 1989 to present
- Library Adult Reading Project - Member 1988 to present
- East Los Angeles College Foundation - Board member 1990 to present
- Small Business Administration Advisory Council - Chair 1989 to present

United Way Allocations Committee - Member 1988 to present

USC Community Advisory Council - Executive Committee 1988 to present

Id. at 1-2.

132. *Evelyn Fierro*, a 4 percent voting shareholder in Rainbow, proposes to devote a minimum of 40 hours per week to the position of Rainbow's Vice President of News Programming (Rainbow Ex. 6, p. 3). In that capacity, she will have primary responsibility for determining policy and supervising the station's news, sports and weather programming and personnel (Rainbow Ex. 6, p. 3).

133. Fierro has resided for all but two years of her life within the service area of Rainbow's proposed television station (Rainbow Ex. 6, p. 1). She was employed as a news producer/writer at KNBC-TV, Los Angeles, from 1982-1989 (Rainbow Ex. 6, p. 2). Fierro is an Hispanic female (Rainbow Ex. 6, p. 1).

134. Since 1990, Fierro has been Mayor of the City of South Pasadena. *Id.* Her term on the City Council ends in 1992. *Id.* In 1986, she was named an Outstanding Young Woman of the Year. *Id.* Since 1987, she has been a member of Comision Femenil de Los Angeles. *Id.* From 1986 to 1989, she was a member of the Business and Professional Woman's Club of South Pasadena and was named BPW Woman of the Year in 1986. *Id.* From 1982 to 1990, she was a member of the California Chicano News Media Association and was its president in 1988. *Id.* From 1986-1988, she was president of Parent Alert, a South Pasadena anti-drug/alcohol abuse group. *Id.* From 1988-1991, she served on the Policy Board of Directors of "Project Day," a youth diversion program serving four Los Angeles area cities. *Id.* at 1-2. She is now president of Policy Board for Project Day. *Id.* at 2. She was executive director of Adolescent Pregnancy Childwatch of Los Angeles County. *Id.* From 1989 to 1990, she was a member of California Compact, a leadership group spearheaded by the Governor. *Id.*

135. Upon grant of Rainbow's application, each of its proposed integrated voting stockholders pledges to withdraw from any employment or business pursuits and to resign any office in any philanthropic, political or civic organization with which he or she is then involved (Rainbow Exs. 2, p. 5; 3, p. 4; 4, 4; 5, p. 2; 6, p. 2).

Rainbow's Financial Qualifications At the Time of Certification

136. Prior to filing its November 1, 1988 application for Channel 11 at Los Angeles, Rainbow encountered difficulty in obtaining a written bank loan commitment letter. Rainbow's communications counsel had drafted a proposed bank letter (Thompson letter) to be used by Rainbow in obtaining "reasonable assurance" to demonstrate its financial qualifications. (Rainbow Ex. 2, p. 2; Fox Ex. 13). Esther Renteria, a Rainbow director and proposed full-time president and general manager of the TV station, who was responsible for obtaining financing for the station, asked David Lizarraga and Joe Sanchez, two proposed non-voting shareholders to see if they could get bank loan commitment letters from their respective banks. Both reported back that their banks did not deal in the entertainment industry and did not supply the kind of letter requested. (Tr. 649-651, 660, 838, 886-888). Mary Duron,

who was vice-president of First Interstate Bank and a prospective Rainbow shareholder, also confirmed to Renteria that banks don't like to issue that kind of commitment letter because some banks had been sued for specific performance on the purportedly non-binding letters and had lost the cases. Thus, in late 1988 it was apparent that there was a reluctance on the part of banks to issue "reasonable assurance" letters to broadcast applicants. (Rainbow Ex. 2, pp. 6-7; Tr. 654-655). Renteria herself contacted Wells Fargo Bank and another bank in late October but nothing came of either contact (Tr. 654-655).

137. In Rainbow's November 1, 1988, application, Rainbow declined to certify as to its financial qualifications because it did not have a written loan commitment (Tr. 801). Rainbow explained in Exhibit 6 (Financial Qualifications) to its application that California banks appeared because of recent adverse litigation to disfavor the "reasonable assurance" letters routinely issued in past FCC cases (Rainbow Ex. 2, p. 7; Fox Ex. 18, Appendix A, pp. 1-2; Tr. 661) Renteria understood that a commitment letter from a bank or other financial institution was needed to give reasonable assurance that at the time a construction permit is obtained, the applicant could reasonably be expected to qualify for financing necessary to construct the station (Tr. 800). She also understood from her communications counsel that verbal or oral understandings were acceptable in establishing financial qualifications although the written letter was preferable⁶ (Tr. 803-804). Her counsel further explained to her that she could file the application but did not have to certify as to her applicant's financial qualifications until the hearing date (Tr. 651-652, 803).

138. Also in late October or early November 1988, Renteria contacted Ed Roybal, operations manager for the Montebello Branch of the Bank of America where she and Rainbow had accounts (Rainbow Ex. 2, p. 7; Tr. 653, 676, 681-682). She asked Roybal if the bank was still doing loan commitment letters. Roybal responded affirmatively and suggested that she come in and talk to Alex Vasquez in the bank (Tr. 677, 808). Vasquez recalled Roybal telling him that there was a potential of receiving a large account through Renteria who had formed or was forming an organization that was going after a TV license in L.A. (Tr. 1138, 1141-1142). Roybal also mentioned various other persons in Renteria's group but Vasquez could not recall who they were (Tr. 1139). Vasquez knew Renteria to be a very good customer of the Montebello Branch (Tr. 1150). However, he was not familiar with her creditworthiness and he had never seen her financial statements (Tr. 1211).

139. Renteria called Vasquez, who was the branch manager of the Montebello Branch of the Bank of America and set up an appointment with him. She said in the conversation that she was looking for assistance in development of a letter to assist her group in obtaining a license and that she would bring a draft (Tr. 1148, 1228). Renteria met with Vasquez on November 4, 1988. When she arrived Vasquez was reading a story about Rainbow in the L.A. Times (Tr. 682). The story confirmed that Roybal had told him about Renteria's group which he understood to be predominantly Hispanic (Tr. 1143-1145). Renteria asked Vasquez for his help in obtaining for Rainbow a \$10 million loan commitment from the Bank of America (Rainbow Ex. 2, p. 7; Tr. 1230). They discussed the nature of the FCC proceeding, the general value of Channel 11's license, the cost estimates, and the general purpose of the loan which was to be for start up costs. (Tr. 682, 816).

They also discussed Rainbow's investors some of whom were known personally to Vasquez through their business with the bank and others because they were well known leaders of the Hispanic community. (Rainbow Ex. 2, p. 7; Tr. 682, 707, 816, 1169-1170, 1219). Renteria gave Vasquez a two page document containing brief descriptions of the investors as well as a copy of the draft loan commitment letter prepared by her communications counsel (Tr. 682-683, 686-687, 1160; Fox Ex. 13; Rainbow Ex. 14, pp. 2-5).

140. The draft bank letter (Thompson draft) stated in pertinent part:

In response to our discussions regarding Rainbow Broadcasting's application to the Federal Communications Commission, this will confirm our willingness to loan up to \$10 million to Rainbow Broadcasting, Inc., if and when the company should receive a permit from the FCC to construct a new television station at Los Angeles.

The loan would bear interest at _____ points above "prime" and would be repayable in _____ consecutive monthly installments (including interest) commencing on the fourth month of broadcast operation, and would be collateralized by the operating assets of the TV station.

The bank understands that there is no certainty that Rainbow Broadcasting's application for a new television station in Los Angeles will be granted by the FCC, nor even when a final determination will be reached.

Nevertheless, we understand that the company intends by this letter to rely on the bank for a reasonable assurance of its financial qualification to construct and operate the station. If and when the FCC permit is obtained, then a formal loan application would have to be filed and whatever lender qualifications in existence then would have to be met by Rainbow Broadcasting, Inc.

It was Renteria's understanding, in November 1988, that the draft letter, as written, would comply with the Commission's requirements regarding financial qualifications (Tr. 683, 693-695; Fox Ex. 13).

141. Renteria did not give Vasquez any financial statements of the stockholders at their November 4th meeting (Tr. 685-686). In fact, Vasquez testified that he never saw any financial statements of the Rainbow investors (Tr. 1165-1166). (Tr. 1154). According to Vasquez, Renteria did not indicate at their first meeting why details in the draft letter she provided were important (Tr. 1220). By the end of their meeting, Vasquez understood that Renteria wasn't seeking an immediate loan, rather, she was seeking a letter stating a potential of a loan in future years (Tr. 1156-1157). He understood that the letter was to assist in the FCC licensing process and that the request was for a letter "about her relationship with the bank" (Tr. 1155-1156). He called the letter she was seeking a "letter of convenience" (Tr. 1154). According to Renteria, Vasquez indicated it would be a good project for the community, the bank and the Hispanics (Tr. 709, 752). Vasquez told Renteria that neither he nor the Montebello Branch of the Bank of America had the authority to give Rainbow the commitment it was seeking. He stated he

would take the matter up with proper bank officials. (Rainbow Ex. 2, p. 8; Tr. 691-692, 808, 1160). Renteria entrusted him with doing so (Tr. 758).

142. Following his meeting with Renteria, later that same afternoon Vasquez contacted Tim Jenson, vice-president of the City of Commerce Branch of the Bank of America with whom he had previously worked to obtain financing for projects (Tr. 7719-1180). As vice-president, Jenson was a relationship manager, with the major part of his job being to attract and retain clients (Tr. 1040). The City of Commerce Branch served Vasquez's Montebello Branch in terms of reviewing applications and providing commercial loans (Tr. 1028). The telephone conversation with Jenson lasted about 10 to 15 minutes. According to Vasquez, he told Jenson that he was calling on behalf of Renteria whom he described as a very good depositor at Montebello Branch and a long time customer⁷ (Tr. 1184-1186). Vasquez testified that he also mentioned to Jenson that there were other investors who were also probably financially sound, but Jenson noted that the bank lacked financial data on them (Tr. 1235). Vasquez indicated to Jenson that Renteria may be a potentially large depositor in the future in connection with a TV project (Tr. 1185-1186). Vasquez did not tell Jenson that the TV station may be acquired through litigation (Tr. 1219) and does recall whether he indicated the TV project was in Los Angeles (Tr. 1185).

143. According to Vasquez, he paraphrased for Jenson the Thompson draft loan commitment letter which Renteria had provided to him, highlighting certain points. They discussed who at the bank had the authority to approve such a letter and who would have to get involved in creating such a letter in a very short time frame. Jenson indicated he might have to check out such a letter with his superiors or the legal department. (Tr. 1186-1187). Vasquez also forwarded a copy of the Thompson draft letter to Jenson. The next morning they again discussed the Thompson draft and Jenson said that he would definitely consult with his superiors and the legal department and work out something quickly to get back to Vasquez. (Tr. 1187, 1289). According to Vasquez, they discussed that the letter was to be used in hopes of Rainbow obtaining an FCC license and if that happened, "that potentially we may be able to make the loan to Rainbow, but naturally we would require financial data". (Tr. 1190). Vasquez urged Jenson to resolve the matter quickly and get a letter out because he wanted to keep Renteria as a personal account (Tr. 1233). Vasquez assumed that Jenson took the original draft and discussed it with his superiors (Tr. 1239-1240).

144. Thereafter, Jenson's branch put together a letter signed by him and dated November 7, 1988, and addressed to Ms. Renteria. The letter stated:

As we discussed, after Rainbow Broadcasting has obtained the appropriate operating licenses, Bank of America would be interested in discussing with you possible financing for the purchase of the television station. Any financing proposal would be subject to our review and analysis of all relevant financial statements and a satisfactory business plan. If you have any questions do not hesitate to contact me.

(Rainbow Ex. 2, Att. C). Also, on that date, Vasquez called Ms. Renteria and told her to come to the bank to pick up the letter (Tr. 696).

145. Renteria discussed the November 7, 1988, letter with Vasquez and told him it wasn't what she needed. According to Renteria, the letter did not provide reasonable assurance nor did it represent a present firm intention to lend. (Tr. 697-698, 1188, 1197). She said she needed something closer to the original Thompson draft which she had furnished with the specific terms and details to show more of a willingness on the part of the bank to lend money (Tr. 697-699, 1220). Although the Bank of America letter was signed by Jenson, Renteria did not seek to contact him directly. Rather, she continued to deal through Vasquez, whom she considered to be her banker. (Tr. 698).

146. Vasquez sent the November 7, 1988 letter back to Jenson and that day they talked in greater detail about what Renteria was looking for in the letter (Tr. 1188). According to Vasquez, during the period from November 7 to 16, 1988, there were also a number of follow-up calls between him and Jenson about the purpose and terms of the letter and the \$10 million loan request (Tr. 1198). They talked specifically about whether they could mention the sum but mainly about the construction of the letter, including the reference or interest rate which was to be "plus three" but, according to Vasquez, they never talked about repayment terms (Tr. 1191, 1192, 1223). Jenson mentioned that he could not prepare a letter like that requested by Rainbow from the bank without looking at financial documents from the customer or customers (Tr. 1223-1224). However, at no time prior to issuance of the November 16th letter did Vasquez or Jenson seek additional information (Tr. 1191-1193). Vasquez didn't request any because his branch didn't have the authority to make the type of loan requested (Tr. 1193). There were two additional reasons why they didn't seek financial information from Ms. Renteria. One was the time frame because she needed the bank letter right away. The second was that Jenson and Vasquez were not pursuing the matter as a loan request but "merely as a letter saying that potentially we may make a loan if this ever came about." Vasquez recalled that they discussed the "reasonable assurance" provision in the Thompson draft and that he explained to Jenson that it was "more of a commitment than we were going to be able to do without looking at financial statements." (Tr. 1226). Jenson indicated to Vasquez that he considered the proposed bank letter to be a letter assisting a customer which he would furnish provided he obtained approval from his superiors (Tr. 1189-1190).

147. Following receipt of a new draft from Jenson, Vasquez called Renteria on November 16 to come to pick it up at his office (Tr. 733). Vasquez handed her a copy of the letter and said that it was prepared based upon her request to "do something" with the November 7 original letter (Tr. 1241).⁸ The November 16 letter, also signed by Jenson, was closer to the Thompson draft but still deviated substantially from it. (Compare Fox Ex. 13 with Rainbow Ex. 2, Att. D).

148. The November 16 letter addressed to Renteria and signed by Tim Jenson stated:

In response to our discussions regarding Rainbow Broadcasting's application to the Federal Communications Commission, this will confirm our willingness to consider a loan up to \$10 million to Rainbow Broadcasting, Inc. after a complete analysis,

if and when the company should receive a permit from the FCC to construct a new television station at Los Angeles.

The loan would bear interest at a market rate above Bank of America's reference rate and would be repayable in consecutive monthly installments (including interest).

The bank understands that there is no certainty that Rainbow Broadcasting's application will be granted by the FCC, nor even when a final determination will be reached.

If and when the FCC permit is obtained, then a formal loan application would have to be filed and whatever lender qualifications are in existence then would have to be met by Rainbow Broadcasting, Inc.

(Rainbow Ex. 2, Att. D).

149. Renteria was not satisfied with the November 16 letter and did not want to accept it. It was not what she was seeking and did not satisfy the financial qualifications requirements to allow her to certify to the Commission (Tr. 724-25). According to her it lacked specifics about the interest rate; the number of repayments was not specified; the collateral was not stated; and it failed to include anything about a moratorium on repayment (Tr. 862-863).

150. Renteria sent a fax of the November 16, 1988, Jenson letter to her communications counsel, Thompson. She attached a cover letter stating "This is probably the strongest letter we can get from Bank of America." (Fox Ex. 14, pp. 1-2; Tr. 732-734).

151. Renteria testified that she was not concerned about the inclusion of the words "willingness to consider" in the bank letter because she was not applying for a loan at that time (Tr. 714-715). Moreover, she discussed the wording with both her communications counsel and local counsel and concluded that, in fact, the language didn't bother her since the entire letter merely evidenced a willingness to consider a loan because the last paragraph very plainly stated that the loan is only good after you qualify on a formal loan application (Tr. 864-865). With respect to the absence of the "reasonable assurance" wording in the Jenson draft, she testified that based on her conversations with her counsels, she understood that the entire Jenson letter provided "reasonable assurance" and that there was no need to restate "the obvious" (Tr. 865).

152. She and Thompson also had a conversation in which they discussed the climate of banking in California, the difficulty in getting bank letters, and the content of their letter. Thompson did not feel the November 16 letter was entirely satisfactory for financial qualifications purposes. He suggested that they needed to add a section on collateral and that she talk to the bankers to see if she could get a stronger letter. (Tr. 739-740). She could not recall if Thompson gave her any other specific suggestions for changes. (Tr. 740-741). Her understanding from her discussion with Thompson was that she "should seek alternative ways of getting a stronger letter from the Bank of America, reaching some kind of oral understanding with the Bank of America, or finding another lending entity to give a different letter."⁹ (Tr. 869).

153. After speaking with Thompson, Renteria had another lengthy conversation with Vasquez in which she told him that the November 16, 1988, letter was not what she needed. They discussed again the nature of the proceeding,

the FCC requirements and other information which they had previously shared. At Thompson's suggestion, she requested that the sentence, "It would be collateralized by the operating assets of the station," be added to the end of the letter's second paragraph (Tr. 734-737; Fox Ex. 15). Vasquez understood that she wanted to get the bank letter as close to the Thompson draft as possible. Vasquez said he would speak to Jenson again, but Renteria asked if she could speak with Jenson directly and negotiate the letter and things she needed. Vasquez gave her Jenson's number. (Tr. 730-731, 733, 866, 1188, 1241-1442).

154. Renteria had a conversation with Jenson on the 16th, late in the afternoon (Tr. 766, 870). According to Renteria, they discussed the entire project.¹⁰ From the conversation it appeared to her that Jenson had received documentation from Vasquez because they discussed the stockholders although they did not discuss the stockholders' or Renteria's creditworthiness. (Tr. 759). Renteria testified that she asked Jenson if he could give her a better letter than the draft she had obtained that morning. They discussed the bank's problem with litigation and the fact that she was not applying for a loan that she needed immediately. (Tr. 743).

155. Renteria testified that she and Jenson came to an agreement that as a result of the various law suits certain things would not be put in the bank letter. She claimed that they came to an understanding of what the terms of the loan would be including the probable repayment and the probable interest rate. (Tr. 743, 747-748, 753). Specifically, according to Renteria, Jenson told her that the bank was no longer quoting prime rates of interest in writing, and was reluctant to quote a repayment schedule for a transaction that was going to be many years in the future. That was the reason why he could only tell her that it would be somewhere between 60-120 months. He also told her that the interest rate would probably be two points above prime, but he would not put that in writing. Based on the conversation, Renteria claimed to have a preliminary understanding with Jenson as to the reason why the interest rate and repayment information was not being put into the letter as she had asked. (Tr. 753-755).

156. According to Renteria, Jenson told her that the data he quoted about the interest rate and repayment schedule was based on what the bank was doing that day and he couldn't quote her a rate for the future because he had no way of knowing what that would be. That's why they didn't want to put it in writing (Tr. 770, 902). He said nothing about due diligence (Tr. 754-755, 773). Renteria claimed she made it clear that they were talking about a letter for the FCC and that Rainbow would be in litigation for 3-5 years (Tr. 755). She claimed that she "asked him if the bank could give us a reasonable assurance that if we could qualify, meet their lending requirements at the time they needed the money, and his answer was yes." (Tr. 757). She did not ask him about inserting the term "reasonable assurance" because to her "the whole letter is a reasonable assurance." (Tr. 758).

157. Renteria testified that she did not think it unusual for him to agree to something orally that he could not put in writing (Tr. 759, 761). She never questioned Jenson's authority to do so. She stated that she was relying on her personal banker's (Vasquez) judgment in taking the matter to another official within the bank. Further, she didn't question Vasquez concerning Jenson's authority to orally agree to terms and conditions which he was unwilling to put in writing because Vasquez had explained to her that

the bank had a problem with putting specific terms in letters where the loan was not going to be used at some future, unspecified time. (Tr. 769). She also assumed from Vasquez' referral to Jenson that Jenson had authority to write the November 16 letter. (Tr. 760).

158. Renteria testified that she also had a conversation with Jenson on the 17th in which he reported on his conversation with Vasquez in which they discussed what more they could collectively do to arrange for her letter. He reiterated the bank's problem with litigation, and the fact he couldn't put things down in writing because it was against the bank's policy. He also repeated the interest rate and repayment schedule (Tr. 746, 767-768). Renteria testified that it was as a result of this conversation that she believed she obtained the oral understanding which was the basis for her financial certification. (Tr. 871). Her understanding as a result of the conversation with Jenson on the 17th was that the rate would be two points above prime, whatever prime might be, that the repayment schedule would be 60-120 months. Jenson also indicated that he thought the moratorium request could be handled. (Tr. 872-874).

159. In a brief conversation with Jenson on the 18th he told her she could pick up the letter at the City of Commerce Branch rather than the Montebello Branch. She went there intending to speak to him about getting a better letter but Jenson was not in. (Tr. 771). She picked up the letter (Tr. 743, 764).

160. With the exception of the inclusion of a clause about collateralization (different from the provision in the Thompson draft), the text was identical to that of the November 16 Jenson letter which Renteria admitted was unsatisfactory for FCC purposes (Tr. 714-725). The November 18 bank letter deviated markedly from the Thompson draft letter prepared by Rainbow's communications counsel (Compare Fox Ex. 13 with Rainbow Ex. 2, Att. E).

161. The November 18 bank letter, upon which Rainbow relied to demonstrate "reasonable assurance" read as follows:

In response to our discussions regarding Rainbow Broadcasting's application to the Federal Communications Commission, this will confirm our willingness to consider a loan up to \$10 million to Rainbow Broadcasting, Inc. after a complete analysis, if and when the company should receive a permit from the FCC to construct a new television station at Los Angeles.

The loan would bear interest at a market rate above Bank of America's reference rate and would be repayable in consecutive monthly installments (including interest). It would be collateralized by assets acceptable to the Bank including all the operating assets of the station.

The Bank understands that there is no certainty that Rainbow Broadcasting's application for a new television station in Los Angeles will be granted by the FCC, nor even when a final determination will be reached.

If and when the FCC permit is obtained, then a formal loan application would have to be filed and whatever lender qualifications are in existence then would have to be met by Rainbow Broadcasting, Inc.

(Rainbow Ex. 2, Att. E).

162. Unlike the original Thompson draft which confirmed a "willingness to loan" up to "\$10 million upon receipt of a permit," the actual bank letter read "willingness to consider a loan". Moreover, the first paragraph in the bank letter also noted that the loan would be considered only "after a complete analysis," a requirement not found in the Thompson draft.

163. Additionally, the Thompson draft sought specificity regarding number of points above prime; a specific number of monthly installments for repayment; and a moratorium on payments till the fourth month; the bank November 18 letter did not provide any of the specifics nor the moratorium. Finally, the Thompson draft included the following sentence in the final paragraph:

"Nevertheless, we understand that the company intends by this letter to rely on the bank for reasonable assurance of its financial qualifications to construct and operate the station, . . ."

that provision was absent from the bank letter. In sum, with the exception of having included a provision on collateralization,¹¹ the shortcomings Renteria found in the November 16, 1988 letter remained in the November 18, 1988 letter which Rainbow submitted to demonstrate its financial qualifications. Renteria admitted that, notwithstanding the addition of language regarding collateralization, the November 18 letter, like its predecessor, did not provide Rainbow with the reasonable assurance of financing required by the Commission. Tr. 730.

164. Upon receipt of the November 18 letter from Jenson, Renteria faxed a copy to her attorney. She discussed it with him saying that she had confirmed with Vasquez and Jenson that it was the best letter that she was going to get from the bank. She told Thompson of her oral understanding with Jenson as to the repayment schedule and probable interest rate. Based on the letter and her oral understandings with Jenson she told her attorney that she felt reasonably assured that if Rainbow obtained the license for Channel 11, they could go to the Bank and the Bank would give them the loan, provided they met the bank's lending requirements at that time. (Tr. 774). She admitted that the letter standing alone did not provide reasonable assurance, but emphasized that in the context of her conversations with Vasquez and Jenson, she felt she had reasonable assurance. (Tr. 730). Following issuance of the November 18 letter, Vasquez had no further contact with Jenson about Rainbow. (Tr. 1206).

165. According to Vasquez, the significance of the November 18th letter is the fact that it was provided to Renteria. The fact that Vasquez knew she was one of his better customers made a big difference because they probably would not provide such a letter for a non-customer. The entire letter transaction was based on the Esther Renteria relationship with the Montebello Branch. In his opinion, the letter committed from Bank of America's view "that we may have in the future an opportunity to do business with Rainbow." (Tr. 1231-1232).

166. Neither Vasquez nor Renteria had any further discussions with Jenson regarding Rainbow's request, and Renteria never met him personally. (Tr. 797, 1206). However, more than a month after her receipt of the November 18 letter, and a full month after Rainbow had filed an amendment certifying its financial qualifications on the

basis of a "written commitment" from Bank of America, Renteria wrote to Jenson to "confirm" her understanding of their November conversations.¹² (Tr. 779; Rainbow Ex. 2, Attachment F). Renteria's letter, drafted by counsel and dated December 21, 1988, stated, in pertinent part:

On behalf of Rainbow Broadcasting, Inc., I want to thank you and the Bank of America for your letter dated November 18, 1988.

While your letter did not expressly state the interest rate that would apply to Rainbow's loan, it is my understanding from our discussions that collateralized loans of this nature would normally bear interest at two percentage points above the Bank of America's reference rate, adjusted at the time of the loan for any adverse change in the risk of business. It is also my understanding that the loan, if made by the Bank of America, would be repayable over a period of approximately 60-120 months and that a three-month moratorium on payments likely could be arranged.

(Rainbow Ex. 2, Attachment F). Jenson did not respond to Renteria's December 21 letter (Tr. 898).

167. Jenson testified that he did not remember Alex Vasquez or recall having any dealings or discussions with him or any bank officials concerning Rainbow's proposal (Tr. 1059-1060). From a review of the November 7, 16 and 18 letters which he was shown, he recalled a brief conversation or discussions with someone at Rainbow regarding an application for some kind of credit or loan. However, he had no recollection of the substance of the conversations. (Tr. 1059, 1076, 1094).

168. Jenson¹³ testified that prior to his deposition in this proceeding (on November 5, 1990) he did not recall writing or seeing any of the bank letters in question, namely November 7, 16, 18, 1988, which were sent out over his signature. (Tr. 1022-1024, 1063, 1094). With respect to the November 7 letter which started "as we discussed" and the November 16 and 18 letters which started "In response to our discussions," Jenson stated that had discussions not taken place he would not have used such terms. However, he also noted that it appeared the letters which had been shown to him that they were a form letter and it is possible the reference to more than one discussion was an error. (Tr. 1074-1076). He explained that the reason he would have sent three letters was because he did so at the request of the potential client and he sought to establish a rapport or relationship with the client. Based on his review of the letters it also appeared to him that the potential client had not given him enough information to make a determination whether or not the bank would do business with it. (Tr. 1091-1092). Jenson also did not recall receiving or responding to Renteria's December 21 confirmation letter or the follow-up July 6, 1989, letter. Although Jenson did not recall receiving the December 21 letter he indicated that when he received a letter such as that and its contents are different from what he had previously indicated orally or in writing, he would clarify it. (Tr. 1029, 1031, 1034, 1035).

169. Jenson testified that he did not have the authority on his own to make a legal commitment or to express the bank's intention to make a loan. He would have to go before a loan committee. (Tr. 1049, 1053). He did not have authority to issue "high probability" of commitment or

"reasonable assurance" letters, and would not provide them (Tr. 1045). Moreover, he did not recall any discussions with any bank officials about providing a bank letter to Rainbow. (Tr. 1073). His job was that of an "idea generator." His authority was limited to providing terms and conditions for a proposal. (Tr. 1049-1052). If asked about interest rates or repayment schedules, he could only respond by explaining terms the bank was currently providing to similarly situated borrowers. (Tr. 1053).

170. Jenson testified that before he sent out a letter such as the November 18, 1988, letter he would have it reviewed by legal counsel because it was not a typical letter and was apparently based on a form letter sent by the prospective borrower to the bank. The text of his letter would probably have been written by someone in his department. (Tr. 1063, 1065, 1068). He would want the letter reviewed from the perspective of the bank to make certain that it did not contain any terms in conflict with the message he wanted to communicate (Tr. 1077).¹⁴ He claimed that he did not know the purpose of the letter. (Tr. 1102).

171. Jenson did not consider the November 18, 1988, letter to be a commitment letter and explained that Bank of America has a definite structure and process for issuing a commitment letter that is binding. (Tr. 1079, 1097). Jenson testified that the nature of the November 18 letter was to express to the company a willingness to entertain and consider the company as a potential client should they meet the bank's criteria once the bank has received the necessary information to analyze it. (Tr. 1081, 1091-1092). However, he did not recall receiving any information from Rainbow. (Tr. 1083). Moreover, even if he had seen the information on the Rainbow shareholders as set forth in Rainbow Ex. 14, pp. 3-5, (describing briefly the vocations and holdings of the Rainbow investors) it would have been relatively insignificant on a loan decision. (Tr. 1087). He emphasized that by using the term "willingness to consider" the bank was seeking to make clear that there was no misunderstanding on the borrower's side. He emphasized that "considering" versus "willingness to make loan" are different. He testified that if the letter said "willingness to loan subject to these conditions," it would be a commitment to loan under the described terms, provided the conditions were met. (Tr. 1103-1105). In his mind the letter of the 18th was preliminary to any proposal to lend on the part of the bank. Moreover, the letter did not even suggest that a proposal would follow. That would be dependent upon the information received from the prospective borrower. Jenson couldn't even develop a proposal until he knew enough about the business, including its management, to get the correct interest rate and delineate all the necessary terms to make such a proposal. (Tr. 1106-1107).¹⁵ He was aware of the fact that Bank of America was involved in litigation concerning various commitments to lenders that the bank failed to honor. That was why the bank had developed the rigorous process concerning issuance of proposal and commitment letters. (Tr. 1098).

172. Jenson described the terms in the November 18 letter as "vague generalities versus specific terms and conditions on which they would consider lending." (Tr. 1113). He noted that the interest rate, i.e. "market rate above Bank of America's reference rate" does not provide a specific meaningful rate of interest because all loans bear interest at a "market rate." (Tr. 1114-1116). He also described the complex process of determining the interest

rate. (Tr. 1054-1055). With respect to the repayment being in consecutive monthly installments he said "that's pretty standard" and did not constitute a definite repayable payment term. (Tr. 1116, 1120-1121; Rainbow Ex. 2, Att. E). As to the collateralization which was "by assets acceptable to the bank including all the operating assets of the station" he stated that "there's no definition there of what those assets are." (Tr. 1117; Rainbow Ex. 2, Att. E). He said the likelihood was that if there had been very much analysis with respect to the finances of the individuals or applicant he would have remembered, but, in fact, he did not recall. (Tr. 1118-1119). In his view, the type of information provided in the letter was available to anyone who asked. (Tr. 1121).

Rainbow' Current Financial Qualifications

173. On January 31, 1991, Rainbow withdrew its reliance on Bank of America for reasonable assurance of its financial qualifications. In its place, Rainbow intends to substitute a February 6, 1991 letter to Renteria from Far East National Bank (FENB). (Rainbow Ex. 8).¹⁶

174. On November 16, 1990, Esther Renteria and Grace Nagata, a Rainbow stockholder, met with Henry Hwang, President and Chairman of the Board of Far East National Bank to seek a loan to acquire Channel 11. This was at a time when Rainbow was getting mixed signals from Bank of America about its outstanding bank letter. (Tr. 932-933, 974). Renteria and Nagata explained the project to Hwang. However, at the hearing Hwang could not recall if they explained how the license was being sought or various other details of the information Renteria claimed to have provided. (Tr. 935, 975, 988, 990). Hwang recalled that he understood that they were seeking the bank letter for the FCC to indicate the bank's interest in making a loan in the event Rainbow acquired the license. (Tr. 936, 976, 992). He understood that the loan would not be taken down immediately. (Tr. 991). He testified that the bank had previously provided commitment letters for radio applicants although he did not believe that they made any actual loans (Tr. 935, 980).

175. Rainbow provided Hwang with a draft bank letter, an updated document describing the shareholders, and a business plan (Fox Ex. 13; Rainbow Ex. 19; Rainbow Ex. 21; Tr. 936). Hwang told the women that the \$10 million loan they requested exceeded the authorized federal bank loan limited for FENB and that he would have to syndicate the loan and limit the bank's participation to \$3.5 million. (Tr. 977-979). He indicated that he had frequently been the lead syndicator on loans. (Tr. 946). Hwang understood that by providing a letter FENB was agreeing to make and arrange the loan should (1) Rainbow receive the license and (2) meet all lending criteria after they received the license. (Tr. 993). By the end of the meeting Hwang expressed his interest in making the loan and said the bank would follow up with specifics. (Tr. 979). They agreed to meet again after he followed up with his people. (Tr. 946).

176. Hwang reviewed Rainbow's business plan which included resumes and balance sheets of Rainbow investors. (Rainbow Ex. 21; Tr. 993, 996). Other information he considered in addition to the business plan was the fact that any company that has a license for a major TV channel in Los Angeles has a valuable property so that banks would be interested and find it profitable to lend money to such a venture. (Tr. 997).

177. Hwang asked his secretary to prepare a draft letter. He forwarded that draft to FENB vice-president Ann Cheung to see if it met with the bank's criteria and, if so, to send it out on his behalf. He indicated to Ms. Cheung that he looked at the business plan and letter and felt comfortable issuing a letter if she felt the same way. (Tr 1000). Ms. Cheung reviewed the letter and gave her approval. (Tr. 981-982).

178. Renteria followed up on the November 16 meeting with a letter dated December 4, 1990, which included a paragraph on syndication which was suggested and prepared by Rainbow's communications counsel. She suggested that the paragraph could be incorporated in the draft previously furnished to Hwang. Renteria noted in her letter that it was not necessary to name in the bank letter the other banks to be involved in the syndication. (Fox Ex. 20; Tr. 933, 944-945). Renteria had no subsequent meetings with Hwang but other Rainbow principals, namely Nagata, Alex Nogales and local counsel Armando Duron met with him. Renteria did speak with Hwang on the telephone (Tr. 947-948).

179. Thereafter, a period of time elapsed until Rainbow's counsel, Thompson, and Duron decided it would be preferable to come up with a new bank letter from FENB which more closely resembled the bank letter in the Multi-State case.¹⁷ (Tr. 942, 948-950). Duron prepared a new draft letter which he transmitted to Thompson on January 30, 1991. (Fox Ex. 21). Thompson revised that draft and forwarded it to Renteria on July 31, 1991. (Fox Ex. 22). The January 31, 1991, draft (Fox 22, p. 2) spelled out the conditions under which the \$10 million loan would be made to Rainbow, set forth the interest rate at 2% above prime, provided a three month moratorium, and indicated repayment would be in 60 equal monthly installments. It contained a paragraph stating that the bank anticipated syndicating \$6 million of the loan and provided for the names of the participating banks. It also included a statement concerning reasonable assurance as to the availability of the funds recognizing that Rainbow intended to rely on the letter to demonstrate its financial qualifications. (Fox Ex. 22; Tr. 948).

180. This draft was subsequently revised on February 1, 1991 to delete any reference to syndication. It was revised because local counsel and communications counsel decided that the language on syndication was not necessary. (Fox Ex. 23; Tr. 954). It was this draft which ultimately became the February 6, 1991 loan commitment letter from FENB to Rainbow. (Rainbow Ex. 8, Appendix A).

181. The letter addressed to Renteria and signed by FENB Vice-President Ann Cheung provides:

Following our review of Rainbow's business plan and our discussions about your company's proposal to build and operate a new TV station on channel 11 at Los Angeles, this will confirm our bank's willingness to lend and arrange financing for up to \$10,000,000, provided the following conditions are met:

1. You are successful in obtaining approval from the Federal Communications Commission to construct and operate a television broadcast station on VHF channel 11 in Los Angeles; and

2. All reasonable and ordinary credit criteria of the lenders are met at such time as you (a) have received the permit to construct said station, and (b) request a formal lending commitment.

While the pricing and terms of amortization of any loan will, of course, be contingent upon the exact credit conditions prevailing at the time of such loan, we contemplate calculating interest on any loan made at the rate of 2% above the prime rate of this bank at the time of each advance; and any loan made will be repaid, after a three-month moratorium as necessary, in 60 equal monthly installments or as otherwise reasonable in line with financial projections received prior to the time of borrowing. The loan will be collateralized by a first lien on all the assets of the TV station.

Although we understand that there is no certainty when or if Rainbow's application will be granted by the FCC, we understand that Rainbow intends by this letter to rely on our bank for reasonable assurance of its financial qualification to construct and initially operate channel 11 at Los Angeles.

Please keep me advised on the progress of your application.

182. Renteria was advised by her counsel that the FENB commitment letter signed by Ann Cheung was sufficient for providing reasonable assurance of Rainbow's financial qualifications. However, since Renteria had not dealt with Cheung and had only had one conversation with Hwang about syndication she chose to send a letter confirming her understandings with Hwang that syndication would be in the \$6 million range. (Tr. 957). She wanted her oral understandings to be in the file. (Tr. 960). Her counsel prepared a draft (Fox 24) which Renteria edited and subsequently sent to Ms. Cheung (Rainbow Ex. 8B, Tr. 959-961).

183. In her February 12, 1991, letter addressed to Ms. Ann Cheung Renteria initially thanked her and Mr. Hwang for their efforts in reviewing Rainbow's project. She then sought to confirm her understandings by stating:

First, it is our understanding that, should a formal loan application be approved by your bank after we obtain the FCC permit, your bank intends to syndicate \$6 million or more of such loan. Secondly, it is our understanding that Far East National Bank has successfully syndicated such loans in the past and that your bank is reasonably assured that Rainbow Broadcasting's proposed loan would be successfully syndicated.

(Rainbow Ex. 8, App. B).

184. With respect to FENB's February 6, 1991, loan commitment letter, Mr. Hwang repeated that he had looked at the Rainbow business plan and looked at the text of the commitment letter. (Rainbow Ex. 8, Att. A; Tr. 999, 1000). He felt that the bank letter stated the conditions upon which the bank would lend money and he felt comfortable with the conditions even though the loan's effectuation may be a number of years in the future. (Tr. 1004). He testified that he had the authority to issue such a letter without the need for concurrence from a board of directors. (Tr. 1000).

185. Hwang further testified that he saw a copy of Renteria's letter on or about February 12, 1991. He concurred that her understandings were correct, namely that if Rainbow's application were approved, FENB would syndicate about \$6 million of it and he was reasonably assured that the proposed loan could be successfully syndicated. (Tr. 1002). He admitted that FENB had not syndicated any loans for broadcast properties in the past. He was confident, however, that Rainbow's could be because any company that has a license for a major TV station has a very valuable property in a very profitable business. He believed it would attract many bankers who would be willing to participate in its financing. He acknowledged that FENB had not yet had any discussions with any other banks to ascertain their interest in participating in a potential loan to Rainbow. (Tr. 987, 1002-1004).

CONCLUSIONS

Fox's Renewal Expectancy

186. Both the Commission and the courts have recognized that, in a renewal proceeding, an incumbent's past performance affords the Commission the strongest and most reasonable basis for determining whether the public interest will be served by its renewal.¹⁸ In a literal sense, a licensee "runs on its record . . ." ¹⁹ See *Simon Geller*, 90 FCC 2d 250, 271 (1982). In this context, it is well established that a substantial record, sound, favorable and substantially above a level of mediocre service which might just minimally warrant renewal, gives rise to a renewal expectancy which in turn warrants a preference in comparative renewal proceedings. See *Broadcast Communications, Inc.*, 93 FCC 2d 1162, 1166 (1983); modified 97 FCC 2d 61 (1984), aff'd by judgment *sub nom. Genesis Broadcasting, Inc. v. FCC* No. 84-1154 (D.C. Cir., filed March 29, 1985) citing *Cowles Broadcasting, Inc.*, 86 FCC Cir. 2d 993 (1981), affirmed *Central Florida Enterprises, Inc. v. FCC*, 683 F.2d 503, 51 RR 2d 1405 (D.C. Cir. 1982) and *Radio Station WABZ, Inc.*, 90 FCC 2d 818 (1982) affirmed *Victor Broadcasting Inc. v. FCC*, 722 F.2d 756 (D.C. Cir. 1983). A substantial performance can be demonstrated by any type of showing reasonably related to demonstrating service over and above what would be considered minimal. *Broadcast Communications, Inc.*, 93 FCC 2d at 1166.

187. In determining the renewal expectancy weight, the Commission has looked primarily at (1) the amount of non-entertainment programming presented, the time of day it is presented and whether it is directed to local needs and interests, (2) the amount of locally produced programming, and (3) the reputation of the station in the community. *Formulation of Policies and Rules Relating to Broadcast Renewal Applicants*, 4 FCC Rcd 6363, 6368 n. 11 citing *Radio Station WABZ, Inc.*, *supra* 90 FCC 2d at 840-842. The premise underlying the granting of a renewal expectancy is that an incumbent's proven record of performance provides a greater assurance of continued performance than do the untested promises of a challenger. Based upon KTTV's performance during the renewal period, it is concluded that Fox's broadcast record is substantial and deserving of a renewal expectancy preference.

188. A licensee providing substantial service to its community must make a "diligent, positive and continuing effort" to "discover and fulfill the tastes, needs and desires

of his service area." See *Intercontinental Radio, Inc.*, 98 FCC 2d at 631 (quoting *En Banc Programming Inquiry*, 44 FCC 2303, 2312 (1960)). It is undisputed that KTTV ascertained the needs and interests of residents of Los Angeles and the southern California region in a continuing and thorough manner. KTTV representatives regularly conducted in-person interviews with community leaders representing a broad cross-section of the community, and the station periodically organized and convened group discussions of community concerns attended by station personnel and local citizens and community leaders. In addition, KTTV bolstered its ascertainment program by maintaining informal contacts with local organizations and by participating in various community functions and events.

189. A total of 269 formal ascertainment interviews were conducted by KTTV during the renewal period. These interviews encompassed broad geographic, cultural, racial and ethnic cross-sections of the community, and included consultations with representatives of minority and women's groups, community organizations, educational institutions including the public schools, religious organizations, the arts, local state and federal governments, and the private sector. Through these extensive and undisputed outreach efforts, KTTV "ensured that it maintained a continuous pulse of its community." See *Tele-Broadcasters of California, Inc.*, 58 RR 223, 230 (Rev. Bd. 1985).

190. The issues and concerns identified by KTTV's thoroughgoing ascertainment efforts provided the focus for programming, produced by the station itself and by others, that was "particularly responsive to community needs" and that "provided forums for local community leaders and the discussion of community problems." See *Cowles Broadcasting, Inc.*, 86 FCC 2d at 1007. For example, KTTV presented an array of Los Angeles residents, including several locally produced programs. An outstanding example of KTTV's public affairs programming was "Midday Sunday," a locally produced 30-minute program presented regularly on Sunday mornings from September 13, 1987 through the end of the renewal period. The program featured frank discussion of various matters of concern to the Los Angeles community. "Midday Sunday" provided a forum for in-depth consideration of community problems by a cross-section of local and regional community leaders.

191. KTTV's regularly scheduled public affairs programming also included "Good Day L.A.," a 30-minute program produced by KTTV and broadcast on Saturday mornings from March 6, 1986 through September 5, 1987. The program brought together community representatives to address issues specifically identified by KTTV's ascertainment process. Especially noteworthy was "Eleven's Kids," a segment produced by KTTV and aired periodically within "Good Day L.A." that introduced KTTV viewers to area children eligible for adoption or in need of foster care. A significant measure of the success of the "Eleven's Kids" segments was the testimony of a representative of the Los Angeles County Department of Children's Services that they resulted in a high adoption rate for hard to place children.

192. Other regularly scheduled public affairs programs that demonstrated KTTV's commitment to address the ascertained needs and interests of its community were "Speak Out" and "New Forces," both of which were produced by KTTV. "Speak Out," a 30-minute program produced in association with a local religious organization, was presented regularly on Saturday mornings between

March 6, 1986 and August 8, 1987. "Speak Out" featured discussions on a variety of typical issues, and was designed to encourage cooperation among the numerous diverse communities within KTTV's service area. "New Forces" was a summer replacement series of 30-minute programs broadcast on Saturday mornings between March 6 and June 7, 1986. The program, which was hosted by a handicapped individual confined to a wheelchair and which originated entirely on location, focused on the unique problems and needs of the Los Angeles handicapped community.

193. KTTV also broadcast "*Hour Magazine*" a 60-minute program broadcast at 12:00 noon Monday through Friday which, although not exclusively public affairs, featured interviews and dealt with a wide range of matters including consumer issues and human interest stories (May 1987 through June 1988); and "*PM Magazine*" a 30-minute general interest program, presenting a mix of nationally and locally produced segments, the latter of which were produced daily by KTTV and focused on issues and events of local interest, highlighting efforts and accomplishments of individuals in the Los Angeles community. (March 6, 1986 through August 29, 1988).

194. KTTV's responsiveness to the ascertained needs, interests and concerns of Los Angeles community was also reflected in its locally produced daily coverage of local, national and international news. Throughout the license term, KTTV presented live, 30-minute news broadcasts between one and three times daily. KTTV's news broadcasts included "The Midday News, presented between March 6, 1986 and May 22, 1987; "The Eight O'clock News," a prime time newscast presented from March 6, 1986 through September 4, 1987; "The 11 O'clock News," an evening newscast presented between March 6 and October 6, 1986; "The Midnight News," presented weeknights between October 9, 1986 and September 3, 1987; and "Fox News at Ten," a prime time newscast presented between September 5, 1987 and the end of the license term. "Fox News at Ten" won a 1987 local Emmy award for Best Regularly Scheduled Daily News Program; in addition, beginning in September 1988, the program was simulcast in Spanish over the second audio program channel of KTTV's stereo transmission system. KTTV also presented Saturday and Sunday evening newscasts throughout the license term, and, beginning in April 1988 and continuing through the end of the renewal period, presented an early morning rebroadcast of the previous evening's newscast.

195. KTTV's resolve in providing in depth coverage of local and regional news and events is exemplified by its employment of a full time news staff averaging 48 employees throughout the license term. During the license term KTTV also acquired its first satellite news gathering truck and an additional mobile news gathering van, computerized its News Department, and leased a news helicopter.

196. KTTV's commitment to news was also evidenced by its periodic interruption or preemption of regularly scheduled programming to present special coverage of breaking events, and its expanded coverage of news events and topical issues within its regularly scheduled newscast. For example, during its evening newscasts, KTTV presented award-winning investigative series on the development of experimental treatments for AIDS and cancer patients, the medical and technical abuses being perpetrated by local AIDS testing facilities, and the over-crowded conditions at the Orange County Jail. KTTV also provided in-depth coverage of issues of concern to viewers during "The Mid-

day News." Through interviews, discussions and debates, KTTV explored matters including handgun control legislation, insurance practices, pornography, drug and alcohol abuse, teen suicide, tax reform legislation and mandatory drug testing.

197. KTTV's news programming also responded to ascertained community needs by featuring periodic reports on issues of special concern to senior citizens, such as health care, employment opportunities and housing trends. KTTV also conducted an ongoing "Troubleshooter" campaign, designed to respond to and assist in resolving individual viewer concerns and complaints regarding local businesses, government agencies, and crime. Beginning in November 1987, "Troubleshooter" broadcast segments were augmented by a telephone service to assist viewers in resolving their problems or concerns.

198. KTTV also broadcast special programs throughout the license term, encompassing subjects such as the Smithsonian Institution's Collections, the California Lottery, AIDS and Dr. Martin Luther King Jr. It produced and broadcast a series of public affairs oriented programs called "*For Kids' Sake Specials*" directed at parents and focussing on issues children face. KTTV broadcast a series called "*Infinite Voyage Specials*" which focused on environmental and scientific issues, subjects which had come up frequently in the ascertainment process. KTTV provided air-time and made its facilities available to charitable groups for their fund raising efforts. The station broadcast programs specifically addressed to the interests and concerns of children including: "*Dr. Science*" a live KTTV produced 30-minute program to educate children about basic scientific concepts, which ran between September 19, 1987 and February 27, 1988 and which won a 1987 Emmy award for Best Program, Children/Youth -- Independent Stations; and "*Kidsongs*" which was broadcast on Saturday mornings at 7:30 a.m. from September 1987 through the end of the renewal period and featured traditional children's songs performed by children in music video-like sequences. KTTV broadcast PSAs and made its facilities available throughout the license term for the production of public service messages. Through the license term it broadcast a total of 28,126 PSAs or an average of approximately 27 per day for 1986, 1987 and 1988. The aforementioned special programs and children's programs and assistance in the production and broadcast of PSAs further illustrate the extent of KTTV's public service commitment.

199. The Commission has stated that the most reliable index of a licensee's public interest record is "its reputation and standing in the local community." The record here of laudatory public witness affidavits, unsolicited letters and awards and commendations clearly reflects that KTTV enjoys the highest regard in the Los Angeles community. Thirty public witnesses submitted affidavits on behalf of KTTV, and 78 unsolicited letters were received into the record. In addition, Rainbow cross-examined ten of KTTV's 30 public witnesses, and their oral testimony only reinforced the view that the station is held in high esteem by its community. See *Radio Station WABZ, Inc.*, 90 FCC 2d at 841-842. KTTV's reputation is unblemished. No dissatisfied public witnesses were produced, and no letters or affidavits evincing any public dissatisfaction with KTTV's service to the community were introduced into the record of this proceeding. The absence of contravening public witness testimony is significant evidence of KTTV's high standing in its community.

200. Thus, the record demonstrates that KTTV conducted exhaustive ascertainment interviews, supplemented by information derived through extensive community involvement; broadcast a multitude of PSAs on behalf of hundreds of different organizations; presented numerous regularly scheduled and special news, public affairs and general interest programs; provided an effective array of forums for community members and leaders with its locally produced public affairs programs, editorials and PSA production and broadcasts; provided coverage of events of special interest to its community; continuously reached out into the Los Angeles community to promote, organize and support community and charitable activities; and maintained an excellent reputation in the community, unblemished by any criticism.

201. Under the factors traditionally considered by the Commission in determining whether a licensee has rendered a substantial service to its community, it is concluded that the record in this proceeding demonstrates that the past performance of KTTV during the pertinent time period has been substantial. Therefore, Fox is entitled to a strong renewal expectancy preference.

202. Rainbow urges that KTTV should not raise a renewal expectancy because in Rainbow's view, "[t]he public service trend at KTTV was strongly 'downward'." Rainbow Findings, paragraph 244.²⁰ The Bureau has concluded that the record evidence established that "Fox is entitled to a renewal expectancy." It nevertheless believes that "the overall reduction in KTTV's locally produced non-entertainment and news programming mandates a slight diminution of Fox's renewal expectancy." Bureau conclusions, paragraph 12. Rainbow and the Bureau rely solely on *Video 44*, 5 FCC Rcd 6383 (1990) for their positions. However, their reliance on *Video 44* is misplaced. In *Video 44*, where a licensee effected a wholesale abandonment of public service programming after it had become a nearly full-time subscription service, it was held that the programming following the format change, which was found to be wanting, was more probative of its likely future performance than its programming prior to that change. Contrary to the suggestions of the Bureau and Rainbow, in *Video 44*, the Commission did not compare the amount of public interest programming before and after the drastic format change. Moreover, here, unlike *Video 44*, there was no decline in KTTV's overall commitment to responsive programming and community service. As demonstrated by the record, throughout the licensee period, KTTV ascertained the needs of its community, responded with a variety of programming that met those needs, reached out to the community to assist in charitable and civic activities, and enjoyed the wide support of the public. Because KTTV's overall responsiveness was consistently meritorious, the cancellation of programs or the alteration of its program schedule, which lies wholly within the licensee's discretion, is irrelevant. Neither Commission precedent nor policy supports the elimination or diminution of KTTV's strong renewal expectancy preference. Moreover, this preference is controlling as to the comparative choice between Fox and Rainbow. See *Radio Station WABZ, Inc.*, 90 FCC 2d at 845.

Rainbow's Financial Qualifications At Time Of Certification

203. In specifying a financial issue against Rainbow, the HDO noted that Rainbow was required to respond to a request for documentation of its financial ability pursuant to a Commission authorized random check of applicants seeking to construct and operate new broadcast facilities. Based upon Rainbow's response, the Commission specified an issue relating to the terms and conditions of its bank commitment letter from Bank of America, and whether the letter established a present firm intent to lend the necessary funds for construction.

204. When, as in this case, an applicant seeks to rely on a bank loan for financing of its proposed station, the applicant must demonstrate that at the time of certification it had "reasonable assurance" of the loan's availability. See *Merrimack Valley Broadcasting, Inc.*, 82 FCC 2d 166, 167 (1980). In this regard, "[a] present firm intention to make a loan, future conditions permitting, is the essence of [the Commission's] 'reasonable assurance' standard." *Id.*

205. In order to determine that an applicant has "reasonable assurance" of available funds based on a bank letter, the following factors are considered:

Whether (1) the bank has long and established relationship with the borrower sufficient to infer that the lender is thoroughly familiar with the borrower's assets, credit history, current business plan, and similar data, see *Multi-State Communications, Inc. v. FCC*, 590 F.2d 1117 (D.C. Cir. 1978); or (2) the prospective borrower has provided the bank with such data, and the bank is sufficiently satisfied with this financial information (e.g., collateral guarantees, see *Chapman Radio and Television Co.*, 70 FCC 2d 2062, 2072 (1979) that, *ceteris paribus*, a loan in the stated amount would be forthcoming, and that the borrower is fully familiar with, and accepts the terms and conditions of the proposed loan (e.g., payment period, interest rate, collateral requirements, and other basic terms). Short of these ordinary fundamentals, it would be difficult to infer "reasonable assurance" from a "committed source." In other words, central to any successful "reasonable assurance" showing of a loan from a financial institution is that the "individual qualifications" of the borrower have been preliminarily reviewed, *Christian Communications*, 2 FCC Rcd 1971, 1974 (1987), that adequate collateral has been demonstrated, *Chapman Radio, supra*, and that the tentative terms of the loan are specifically identified and are satisfactory to both borrower and lender. As noted above, where these fundamentals have been absent in recent cases, the Board has found no "reasonable assurance." See, e.g., *Rebecca Boedker*, [5 FCC Rcd 2855 (Rev. Bd. 1990)], *vacated* 6 FCC Rcd 2557 (1991); *Marlin Broadcasting of Central Florida, Inc.*, 4 FCC Rcd 7945, 7946 (Rev. Bd. 1989). Conversely, where these fundamentals have been satisfied, . . . "reasonable assurance" [has been found]. See, e.g., *Colonial Communications, Inc.*, 5 FCC Rcd 1967 (Rev. Bd. 1990), *recon. denied*, FCC 90R-52, released June 25, 1990.

Scioto Broadcasters, 5 FCC Rcd 5158, 5160 (Rev. Bd. 1990), *aff'd*, 6 FCC Rcd 1893 (1991).

206. To demonstrate that it was financially qualified at the time it so certified, Rainbow relies on a November 18, 1988 letter from Bank of America, signed by Timothy M.

Jenson, vice-president, and alleged oral understandings which Rainbow principal, Esther Renteria claims to have had with Jenson concerning specific terms and conditions which were not set forth in the letter.

207. Rainbow has failed to establish the requisite "reasonable assurance of the "present firm intention" of the Bank of America to make a loan up to \$10 million dollars to Rainbow. Renteria has admitted that the November 18 letter is patently deficient on its face and does not provide reasonable assurance of the availability of a loan from Bank of America. In the absence of contemporaneous written documentation, an applicant, such as Rainbow, may be able to establish reasonable assurance of a loan under a financial qualifications issue by adducing "other similar evidence that funds would be available." *Armando Garcia*, 3 FCC Rcd 1065, 1067 (Rev. Bd.), *rev. denied*, 3 FCC Rcd 4767 (1988). However, the Commission emphasized in *Northampton Media Associates*, 4 FCC Rcd 5517, 5519 (1989) that probative evidence of the availability of financing includes more than the self-serving, uncorroborated statement of the individual responsible for the financial certification. *See also Susan S. Mulkey*, 4 FCC Rcd 5520, 5522 (1990). Probative evidence as to the existence of an oral loan agreement at the time of certification "must be established by both the applicant and lender via uncontroverted affidavits and/or testimony at hearing." *Port Huron Family Radio, Inc.*, 5 FCC Rcd 4562 (1990). Rainbow, however, has failed to provide probative evidence of an oral agreement with bank officials demonstrating the availability of financing.

208. Rainbow asserts that Renteria reached an oral understanding with bank officials concerning the specific terms which are not contained in the November 18 bank letter. According to Renteria, her informal conversations with Jenson provided her with "reasonable assurance" of the bank's "present firm intention" to make a loan to Rainbow. However, Renteria's account is not corroborated by the bank officials with whom she dealt. In fact, as discussed, below, the bank officials' testimony is in conflict with Renteria in significant respects. Their testimony confirms the fact that the November 18 letter, on which Rainbow relies, was not intended to reflect a present firm intention on the part of the bank to make a loan to Rainbow.

209. The bank letter itself explicitly states that it merely confirms the bank's "willingness to consider a loan of up to \$10 million to Rainbow Broadcasting, Inc. after a complete analysis" According to Jenson, the use of the term "willingness to consider" was significant in that it was meant to make clear to the potential borrower that there was no commitment on the part of the bank. Jenson's testimony that the letter was preliminary to any proposal to lend money on the part of the bank is consistent with the fact that Vasquez and Jenson lacked authority to give Rainbow the commitment it was seeking. Additionally, the inclusion of the term "after a complete analysis further buttresses Jenson's testimony that the letter was preliminary to any commitment which the bank would be willing to make. Thus, it is apparent from the face of the letter as well as Jenson's testimony that it was not intended to reflect a present firm intention on the part of the bank.

210. Also, Bank of America lacked sufficient information about Rainbow and its principals' assets, credit history, current business plan and similar data. Vasquez testified that he was aware that Renteria was a good and frequent customer at his branch, but admitted he had no

detailed knowledge of her creditworthiness nor that of fellow investors, nor had he seen any business plan or other relevant financial data. Similarly, Jenson relied upon Vasquez for information about Rainbow and Renteria and had no additional information prior to the time he signed the November 18, 1988 letter. Thus, it is concluded that the bank lacked sufficient information to preliminarily review the individual qualifications of Rainbow and its principals to enable the bank to make any commitment which would satisfy the Commission's "reasonable assurance" standard. *See, Duchess Communications Corp.*, 101 FCC 2d 243 at 247-248 cited in *Marlin Broadcasting, supra*, 4 FCC Rcd 7945 at 7947; *Cf. Christina Communications, et al*, 2 FCC Rcd 1971, 1974 (HDO)

211. The bank letter failed to specify the interest rate, the period of repayment and the precise collateral on which the bank would be relying. Although Renteria had furnished both Vasquez and Jenson with a copy of a draft bank commitment letter (Thompson draft) which her counsel felt would meet the Commission's requirements, the Jensen letter specifically omitted the very terms which the Thompson draft included. Jensen testified that the terms he provided in his letter were "vague generalities versus specific terms and conditions on which they [Bank of America] would consider lending." According to Jensen, the interest rate described in his letter does not provide a meaningful rate of interest because all loans bear interest at a "market rate." Similarly, he explained that his letter did not provide a definite repayment term. Finally, with respect to the collateralization, he opined that there was no specific definition of what the assets were because the bank lacked information to identify them in the letter. The absence of clarity as to the specific collateralization further undermines any "present firm intention" to make a loan. *See, Chapman Radio & Television, supra*, 70 FCC 2d at 2072. Additionally, the bank letter did not include the provision in the Thompson draft which expressly noted that the bank understood "that the company intends by this letter to rely on the bank for a reasonable assurance of its financial qualification to construct and operate the station." Finally, Jensen, the signatory to the letter, was explicit in denying that the bank letter was a commitment letter. In summary, it is clear that the bank letter does not evidence nor was it intended to evidence a "present firm intention" to make a loan and thus does not provide the requisite "reasonable assurance." *See, Rebecca L. Boedker, supra*, 5 FCC Rd 2855 at 2859.

212. Renteria's assertion that the specific terms lacking in the bank letter were established in her conversation with Jenson is uncorroborated and will not be credited. Moreover, Jensen testified explicitly that the reason specific terms and conditions were no longer put in bank letters was to avoid the appearance of making any commitment to a potential borrower. Previous letters had resulted in litigation which was costly to the bank and were the catalyst for the bank's development of a rigorous process concerning the issuance of bank letters. In light of Jensen's understanding of the bank's policy and the bank's prohibition against issuing letters until a thorough review of the loan applicant was conducted, his explanation to Renteria that he could not commit the bank or put required terms in writing, and his lack of authority to issue "reasonable assurance letters", it strains credulity that Jensen would agree orally to specific terms and conditions for making the loan. Simply stated, Renteria was clearly put on notice as to the limitations on Jensen's authority,

on the bank's policy against commitments, and as to the fact that Jensen simply refused to incorporate provisions of the Thompson draft letter into the bank letter. Thus, any claim by Rainbow that it had a reasonable basis for relying on Bank of America funding is unfounded.

213. It is, therefore, concluded that Rainbow lacked "reasonable assurance" of Bank of America's "present firm intention" to lend the necessary funds. Since Rainbow has failed to demonstrate that it was financially qualified at the time it so certified, Rainbow is disqualified.

Rainbow's Current Financial Qualifications

214. Rainbow seeks to amend its application to substitute a February 6, 1991 letter to Renteria from Far East National Bank (FENB) in lieu of the Bank of America letter. The FENB letter (Rainbow Ex. 8) was accepted on a contingent basis pending a determination whether Rainbow was financially qualified at the time it so certified. In light of the adverse determination on this issue, Rainbow's present reliance on the FENB letter is moot. It is well established that not only must an applicant currently have reasonable assurance of financing, but such reasonable assurance must also exist at the time the applicant certifies as to its financial qualifications. *Shawn Phalen*, 5 FCC Rcd 2622 (Rev. Bd. 1990). In the absence of a demonstration by the applicant that it had reasonable assurance of financing at the time of certification, subsequent petitions for leave to amend financial proposals are disallowed. *Aspen FM, Inc.*, 5 FCC Rcd 1602 (1991).

215. *Assuming, arguendo*, the FENB letter was considered, Rainbow has failed to establish it is currently financially qualified. The FENB loan requires syndication of at least 6 million dollars of the 10 million dollars specified in the loan letter. FENB has not syndicated any loans for broadcast properties in the past. FENB's chairman and president Henry Hwang believes the loan could be syndicated successfully. However, he conceded that he has not spoken with other banks regarding participation in the proposed loan.

216. Rainbow's showing fails to provide reasonable assurance of the availability of FENB funds. Hwang's personal belief that the loan could be syndicated successfully is immaterial. *See KIST*, 99 FCC 2d 173, 179-180 (Rev. Bd. 1984). More is required before the loan can be relied on. Even if it were customary for FENB to arrange loans in excess of its statutory limitation, Rainbow could not demonstrate reasonable assurance unless it received some commitment from the participating banks. *See CBS, Inc.*, 49 FCC 2d 1214, 1229 (Rev. Bd. 1974). At the bare minimum, Rainbow would have had to demonstrate that corresponding banks have agreed to participate in the loan. *See Corpus Christi Cellular Telephone Co.*, 3 FCC Rcd 1889, 1891 (1989). *See also Intercontinental Communications/Cellular, Inc.*, 4 FCC Rcd 2702, 2704 & n.24 (1989). Since FENB has not even contacted any banks, let alone secured loan commitments from them, Rainbow can not rely on the FENB letter for reasonable assurance.²¹

Ultimate Conclusions

217. Rainbow has been disqualified for its lack of financial qualifications. Rainbow's disqualification moots the need for a comparative determination. *See Louis Adelman*, 28 FCC 432 (1960), *recon. denied*, 29 FCC 1223 (1960), *aff'd sub nom. Guinan et al v. FCC*, 297 F.2d 782 (D.C.

Cir. 1961). Moreover, Fox has established a record of past performance that warrants a dispositive renewal expectancy preference.

Accordingly, IT IS ORDERED, That the "Petition For Leave To Amend filed March 21, 1991 by Rainbow Broadcasting, Inc. IS DISMISSED as moot.

IT IS FURTHER ORDERED, That unless an appeal from this Initial Decision is taken by a party, or it is reviewed by the Commission on its own motion in accordance with Section 1.276 of the Rules,²² the application of Fox Television Stations Inc. for renewal of license of Station KTTV(TV), Los Angeles, California IS GRANTED; and the application of Rainbow Broadcasting, Inc. for construction permit in Los Angeles, California IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION

Joseph Chachkin
Administrative Law Judge

FOOTNOTES

¹ "Attributable media interests" are those interests contemplated by Section 73.3555 of the Commission's Rules (Fox Ex. 1, p. 3; Tr. 169-172).

² Because some community leaders represented more than one category, the number of representative ascertainment exceeds the total number of interviews conducted.

³ KTTV Program Director, Don Tillman, who sponsored Fox Exhibit 2, testified that he was responsible for the overall supervision of the station's ascertainment efforts (Tr. 402-403, 566-568). Rainbow did not cross-examine Tillman as to any aspect of the ascertainment process, and did not introduce any evidence rebutting Fox Exhibit 2.

⁴ As a result of a typographical error, Fox Exhibit 3 inadvertently indicated the end date of "PM Magazine" as August 29, 1988 (Fox Ex. 3, p. 5). The correct date is August 29, 1986.

⁵ Averages are derived from News Department records for each calendar quarter during the renewal period (Fox Ex. 4, p. 2; Tr. 477).

⁶ Renteria testified that her communications counsel cited the *Susan Mulkey* case to her in support of this position, but later could not recall whether this occurred before the November 1 filing of Rainbow's application or after (Tr. 804, 889). In *Susan Mulkey*, 4 FCC Rcd 5520, 5522 (1989), *recon. denied* 5 FCC Rcd 3075 (1990), the Commission held that uncorroborated oral assurances are not sufficient to resolve all questions concerning the validity of a financial certification.

⁷ However, Jensen testified that he did not know Vasquez nor recall any discussions with him (*See paras. 105-111, infra*).

⁸ During her early conversations with Vasquez, Renteria asked if he was having a problem with Rainbow's loan request, because the bank had been sued successfully many times on similar commitment letters. When he answered "Yes she asked if his "comfort level" would be increased if she furnished him with a "hold harmless" letter. When he indicated that it might help she drafted and gave Vasquez a "hold harmless" letter dated November 10, 1988, in which Rainbow agreed to hold the bank harmless should Rainbow fail to qualify under whatever terms would be in effect when Rainbow received its license from the FCC

(Rainbow Ex. 17; Tr. 701-702, 891, 1237). Vasquez recalled seeing the document and believed he probably passed it on to Jenson (Tr. 1202).

⁹ Pursuant to Thompson's suggestion, Renteria faxed information to Lem Daniels about the project to see what his company could do. Daniels had previously done some financing, but he told Rainbow that because of market conditions, he was no longer doing any financing. (Rainbow Ex. 14; Tr. 869-870).

¹⁰ However, Jenson testified only that he recalled a brief conversation or conversations with someone from Rainbow (*See* paras. 167-172 *infra*).

¹¹ The collateralization provision in the Thompson draft is markedly different from that in the November 18 bank letter. The Thompson draft provided that the loan "would be collateralized by the operating assets of the station." The November 18 letter, however, defined collateral assets *acceptable to the Bank including* all the operating assets of the station. (Emphasis added).

¹² Renteria's written testimony that Rainbow's FCC counsel had "confirmed her "oral understanding" was rejected as inadmissible hearsay. (Tr. 312). In this connection, Renteria was not a party to any conversations between Jensen and Rainbow's counsel. Accordingly, because Rainbow elected not to present counsel as a witness, it cannot rely on his purported conversation with Jenson to substantiate the existence of Renteria's "oral understanding" (Tr. 303-305).

¹³ Jenson, who was represented by an attorney provided by the Bank of America, no longer worked at the Bank of America at the time he testified. (Tr. 1015-1020).

¹⁴ On the other hand, his response of November 7, 1988, was a typical letter he sent out 10-30 times a month and would not require counsel review. (Tr. 1066).

¹⁵ Jenson provided an extensive explanation of the process by which an initial inquiry from a prospective borrower evolves into a loan commitment. (Tr. 1046-1048, 1096-1097, 1101-1103, 1123-1126).

¹⁶ Rainbow Exhibit 8 was accepted on a contingent basis pending a determination whether Rainbow was financially qualified at the time it so certified (Tr. 364-368). Consideration of Rainbow's March 21, 1991 Petition for Leave to Amend specifying FENB as its proposed funding source is moot since it has been concluded that Rainbow was not financially qualified at the outset.

¹⁷ *Multi-State Communications, Inc. v. FCC*, 590 F.1d 1117, 44 RR 2d 487 (D.C. Cir. 1987).

¹⁸ *Office of Communications of United Church of Christ v. FCC*, 359 F.2d 994 (D.C. Cir. 1966); *Belo Broadcasting Corp.*, 47 FCC 2d 540 (1974).

¹⁹ *United Church of Christ*, 359 F.2d at 1007.

²⁰ Rainbow also criticizes Fox for failing "to even attempt to quantify the total amount of its non-entertainment programming to its total programming. In so doing, Rainbow errs by focusing on quantitative data as the benchmark of the licensee's performance. Specifically, the Commission no longer emphasizes quantitative programming data when assessing the strength of a licensee's performance. In its *Report and Order, Formulation of Policies Relating to the Broadcast Renewal Applicant, Stemming from the Comparative Hearing Process*, 66 FCC 2d 419 (1977) the Commission declined to establish quantitative standards for defining substantial program service that would determine entitlement to a renewal expectancy in comparative renewal proceedings. The Commission stated that quantitative standards "are a simplistic, superficial approach to a complex problem." *Id.* at 429. In 1981, the Commission restated this view when it

eliminated its percentage guidelines for nonentertainment programming and deleted any quantitative showing of programming performance from the license renewal application. In explaining its action, the Commission asserted that there "was no valid nexus between the current guideline and the rendition of substantial service in the comparative context." *Deregulation of Radio*, 84 FCC 2d 968, 986 (1981). In summary, as the Review Board stated in *Intercontinental Radio, Inc.*, 98 FCC 2d 608, 630-631 (Rev. Bd. 1981), "the proper focus in reviewing an incumbent licensee's record in a 'comparative renewal' case is a *qualitative* and not *quantitative one*." Accordingly, the absence of comparative data is not material to the issue of determining Fox's entitlement to a renewal expectancy.

²¹ Rainbow's reliance on *Rural Cellular Rules*, 4 FCC Rcd 254, 2550 and n.9 (1988) does not assist it. In *Rural Cellular Rules*, the Commission merely reiterated that loan syndication is a standard practice where a proposed loan exceeds the initiating bank's lending limit. However, the Commission did not indicate the circumstances under which a syndicated loan may be relied on for reasonable assurance of an applicant's financial qualifications. Also, Rainbow's reliance on *MacFadden Acquisition Corp.*, 104 FCC 2d 545, 567-568 (1989) is misplaced. There, MacFadden's claim of reasonable assurance to consummate a hostile takeover was predicated on a letter from the lead bank as well as a letter which confirmed that MacFadden's investment advisor was intimately familiar with MacFadden and his takeover proposal and stated that, based on its "experience and financial reputation in the financial markets" it was "highly confident" of the success of both a proposed loan syndication and a sale of debentures. The Commission concluded that taken together, the bank letter and the "expert letter" were sufficient to establish MacFadden's reasonable assurance. *Id.* at 568. Unlike MacFadden, Rainbow is seeking a construction permit for new facilities. Also, all of the germane facts underlying the rationale of MacFadden are absent from this case.

²² In the event exceptions are not filed within 30 days after the release of this Initial Decision, and the Commission does not review the case of its own motion, this Initial Decision shall become effective 50 days after its public release pursuant to Section 1.276(d).